

The Delaware College Investment Plan Portfolios — College, 2006, 2009, 2012, 2015, 2018, 2021, 2024, Conservative, 70% Equity and 100% Equity

Annual Report

December 31, 2005



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Chairman's Message to Participants

Dear Participant:

On behalf of the State of Delaware, I am pleased to provide you with your Delaware College Investment Plan (the "Delaware Plan") Annual Report.

Since its inception in July 1998, the Delaware Plan has had tremendous growth and this year is no exception. In fact, as of December 31, 2005, the Delaware Plan had more than 22,000 accounts and \$279 million in assets.

This Annual Report is important because it gives you, the Participant, the opportunity to review the Delaware Plan in depth. Contained within is information on how the various Delaware Plan portfolios have performed, as well as the portfolios' holdings and investment strategies. I also hope you will take the time to read the *Managers' Overview*, a discussion with Jonathan Shelon and Christopher Sharpe, who became Co-Portfolio Managers of the Delaware Plan on August 1, 2005. This is a wonderful opportunity to hear directly from the Delaware Plan Portfolio Managers on information specific to the portfolios over the past 12 months, the market and investing environment, and their outlook for the 12 months ahead.

Thanks to Participant feedback, we are pleased to report that over the last year several enhancements were made to the Delaware Plan:

- **Enhanced account data** on Fidelity.com. You can now view quantity, current price, current value, cost and dollar value/percent change of units since purchase.
- **Adjusted target asset allocation** of each Portfolio to better align with the changing marketplace.
- **Reduced annual maintenance fee**, if applicable, from \$30 to \$20.
- **Developed functionality** that allows automatic contributions to be made from a Fidelity brokerage account to your Delaware Plan account.

Thank you for choosing the Delaware College Investment Plan. We look forward to serving your needs for years to come.

Sincerely,



Jack Markell
State Treasurer and Chairman
Delaware College Investment Plan

Delaware College Portfolio Performance: The Bottom Line

Performance

There are several ways to evaluate a portfolio's historical performance. You can look at the total percentage change in value, the average annual percentage change or the growth of a hypothetical \$10,000 investment. Total return reflects the change in the value of an investment.

Cumulative Total Returns

Periods ended December 31, 2005	Past 1 year	Past 5 years	Life of Portfolio
Delaware College Portfolio	3.06%	19.67%	38.10%
Delaware College Portfolio Composite	3.19%	20.32%	39.21%
LB Int Govt/Credit Bond	1.58%	30.67%	50.96%
LB 3 Month US T-Bill	3.07%	12.28%	28.05%
Dow Jones Wilshire 5000 Composite Index	6.38%	10.98%	27.38%

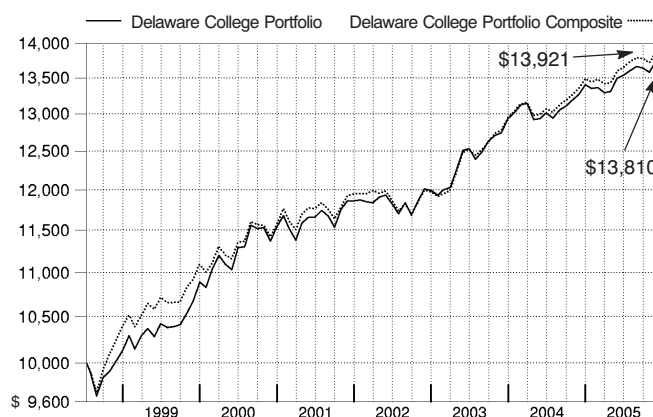
Cumulative total returns show the Portfolio's performance in percentage terms over a set period of time — in this case, one year or since the Portfolio started on July 13, 1998. For example, if you had invested \$1,000 in a portfolio that had a 5% return over the past year, the value of your investment would be \$1,050. You can compare the Portfolio's returns to the performance of the Delaware College Portfolio Composite Index, an approximate weighted combination of the following unmanaged indices: the Lehman Brothers Intermediate Government/Credit Bond Index, the Lehman Brothers 3-month U.S. Treasury Bill Index, and the Dow Jones Wilshire 5000 Composite Index. The index weightings are adjusted periodically to reflect the Portfolio's changing asset allocations. These benchmarks include reinvested dividends and capital gains, if any. The index returns are for the one-year and five-year time periods ending December 31, 2005 and for the period from July 13, 1998 to December 31, 2005.

Average Annual Total Returns

Periods ended December 31, 2005	Past 1 year	Past 5 years	Life of Portfolio
Delaware College Portfolio	3.06%	3.66%	4.41%
Delaware College Portfolio Composite	3.19%	3.77%	4.53%
LB Int Govt/Credit Bond	1.58%	5.50%	5.66%
LB 3 Month US T-Bill	3.07%	2.34%	3.36%
Dow Jones Wilshire 5000 Composite Index	6.38%	2.10%	3.29%

Average annual total returns take the Portfolio's cumulative return and show you what would have happened if the Portfolio had performed at a constant rate each year.

\$10,000 Over Life of Portfolio



Life of Portfolio: Let's say hypothetically that \$10,000 was invested in Delaware College Portfolio on July 13, 1998, when the Portfolio started. As the chart shows, by December 31, 2005, the value of the investment would have grown to \$13,810 — a 38.10% increase on the initial investment. For comparison, look at how the Delaware College Portfolio Composite Index did over the same period. With dividends and capital gains, if any, reinvested, the same \$10,000 would have grown to \$13,921 — a 39.21% increase.



Understanding Performance

How a portfolio did yesterday is no guarantee of how it will do tomorrow. The stock market, for example, has a history of long-term growth and short-term volatility. In turn, the unit price and return of a portfolio that invests in stocks will vary. That means if you sell your units during a market downturn, you might lose money. But if you can ride out the market's ups and downs, you may have a gain.

Delaware Portfolio 2006 Performance: The Bottom Line

Performance

There are several ways to evaluate a portfolio's historical performance. You can look at the total percentage change in value, the average annual percentage change or the growth of a hypothetical \$10,000 investment. Total return reflects the change in the value of an investment.

Cumulative Total Returns

Periods ended December 31, 2005	Past 1 year	Past 5 years	Life of Portfolio
Delaware Portfolio 2006	3.62%	10.36%	37.40%
Delaware Portfolio 2006 Composite	3.48%	15.75%	35.44%
LB Int Govt/Credit Bond	1.58%	30.67%	50.96%
LB 3 Month US T-Bill	3.07%	12.28%	28.05%
MSCI EAFE	13.72%	26.23%	40.32%
Dow Jones Wilshire 5000 Composite Index	6.38%	10.98%	27.38%

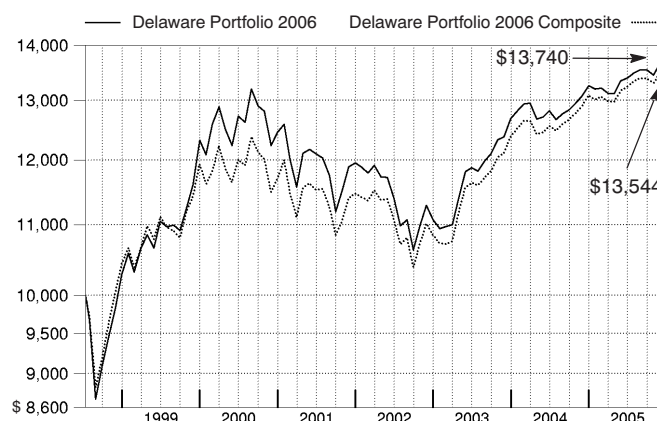
Cumulative total returns show the Portfolio's performance in percentage terms over a set period of time — in this case, one year or since the Portfolio started on July 13, 1998. For example, if you had invested \$1,000 in a portfolio that had a 5% return over the past year, the value of your investment would be \$1,050. You can compare the Portfolio's returns to the performance of the Delaware Portfolio 2006 Composite Index, an approximate weighted combination of the following unmanaged indices: the Lehman Brothers Intermediate Government/Credit Bond Index, the Lehman Brothers 3-month U.S. Treasury Bill Index, the Morgan Stanley Capital International Europe, Australasia, Far East Index, and the Dow Jones Wilshire 5000 Composite Index. The index weightings are adjusted periodically to reflect the Portfolio's changing asset allocations. These benchmarks include reinvested dividends and capital gains, if any. The index returns are for the one-year and five-year time periods ending December 31, 2005 and for the period from July 13, 1998 to December 31, 2005.

Average Annual Total Returns

Periods ended December 31, 2005	Past 1 year	Past 5 years	Life of Portfolio
Delaware Portfolio 2006	3.62%	1.99%	4.34%
Delaware Portfolio 2006 Composite	3.48%	2.97%	4.14%
LB Int Govt/Credit Bond	1.58%	5.50%	5.66%
LB 3 Month US T-Bill	3.07%	2.34%	3.36%
MSCI EAFE	13.72%	4.77%	4.64%
Dow Jones Wilshire 5000 Composite Index	6.38%	2.10%	3.29%

Average annual total returns take the Portfolio's cumulative return and show you what would have happened if the Portfolio had performed at a constant rate each year.

\$10,000 Over Life of Portfolio



Life of Portfolio: Let's say hypothetically that \$10,000 was invested in Delaware Portfolio 2006 on July 13, 1998, when the Portfolio started. As the chart shows, by December 31, 2005, the value of the investment would have grown to \$13,740 — a 37.40% increase on the initial investment. For comparison, look at how the Delaware Portfolio 2006 Composite Index did over the same period. With dividends and capital gains, if any, reinvested, the same \$10,000 would have grown to \$13,544 — a 35.44% increase.



Understanding Performance

How a portfolio did yesterday is no guarantee of how it will do tomorrow. The stock market, for example, has a history of long-term growth and short-term volatility. In turn, the unit price and return of a portfolio that invests in stocks will vary. That means if you sell your units during a market downturn, you might lose money. But if you can ride out the market's ups and downs, you may have a gain.

Delaware Portfolio 2009 Performance: The Bottom Line

Performance

There are several ways to evaluate a portfolio's historical performance. You can look at the total percentage change in value, the average annual percentage change or the growth of a hypothetical \$10,000 investment. Total return reflects the change in the value of an investment.

Cumulative Total Returns

Periods ended December 31, 2005	Past 1 year	Past 5 years	Life of Portfolio
Delaware Portfolio 2009	4.41%	9.57%	37.40%
Delaware Portfolio 2009 Composite	4.12%	16.54%	34.81%
LB Int Govt/Credit Bond	1.58%	30.67%	50.96%
LB 3 Month US T-Bill	3.07%	12.28%	28.05%
ML U.S. High Yield Master II	2.74%	49.61%	42.38%
MSCI EAFE	13.72%	26.23%	40.32%
Dow Jones Wilshire 5000 Composite Index	6.38%	10.98%	27.38%

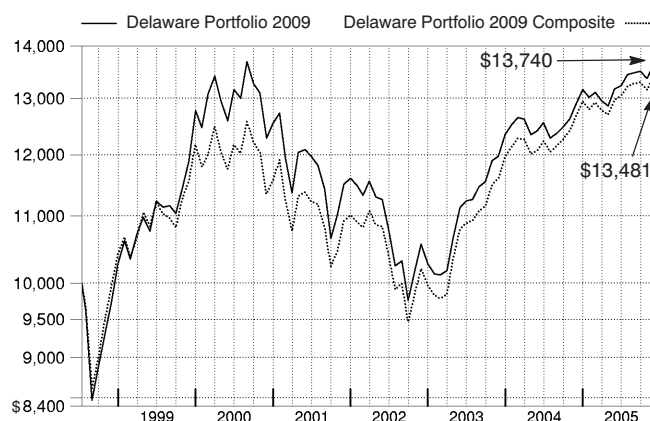
Cumulative total returns show the Portfolio's performance in percentage terms over a set period of time — in this case, one year or since the Portfolio started on July 13, 1998. For example, if you had invested \$1,000 in a portfolio that had a 5% return over the past year, the value of your investment would be \$1,050. You can compare the Portfolio's returns to the performance of the Delaware Portfolio 2009 Composite Index, an approximate weighted combination of the following unmanaged indices: the Lehman Brothers Intermediate Government/Credit Bond Index, the Lehman Brothers 3-month U.S. Treasury Bill Index, the Merrill Lynch U.S. High Yield Master II Index, the Morgan Stanley Capital International Europe, Australasia, Far East Index, and the Dow Jones Wilshire 5000 Composite Index. The index weightings are adjusted periodically to reflect the Portfolio's changing asset allocations. These benchmarks include reinvested dividends and capital gains, if any. The index returns are for the one-year and five-year time periods ending December 31, 2005 and for the period from July 13, 1998 to December 31, 2005.

Average Annual Total Returns

Periods ended December 31, 2005	Past 1 year	Past 5 years	Life of Portfolio
Delaware Portfolio 2009	4.41%	1.84%	4.34%
Delaware Portfolio 2009 Composite	4.12%	3.11%	4.08%
LB Int Govt/Credit Bond	1.58%	5.50%	5.66%
LB 3 Month US T-Bill	3.07%	2.34%	3.36%
ML U.S. High Yield Master II	2.74%	8.39%	4.84%
MSCI EAFE	13.72%	4.77%	4.64%
Dow Jones Wilshire 5000 Composite Index	6.38%	2.10%	3.29%

Average annual total returns take the Portfolio's cumulative return and show you what would have happened if the Portfolio had performed at a constant rate each year.

\$10,000 Over Life of Portfolio



Life of Portfolio: Let's say hypothetically that \$10,000 was invested in Delaware Portfolio 2009 on July 13, 1998, when the Portfolio started. As the chart shows, by December 31, 2005, the value of the investment would have grown to \$13,740 — a 37.40% increase on the initial investment. For comparison, look at how the Delaware Portfolio 2009 Composite Index did over the same period. With dividends and capital gains, if any, reinvested, the same \$10,000 would have grown to \$13,481 — a 34.81% increase.



Understanding Performance

How a portfolio did yesterday is no guarantee of how it will do tomorrow. The stock market, for example, has a history of long-term growth and short-term volatility. In turn, the unit price and return of a portfolio that invests in stocks will vary. That means if you sell your units during a market downturn, you might lose money. But if you can ride out the market's ups and downs, you may have a gain.

Delaware Portfolio 2012 Performance: The Bottom Line

Performance

There are several ways to evaluate a portfolio's historical performance. You can look at the total percentage change in value, the average annual percentage change or the growth of a hypothetical \$10,000 investment. Total return reflects the change in the value of an investment.

Cumulative Total Returns

Periods ended December 31, 2005	Past 1 year	Past 5 years	Life of Portfolio
Delaware Portfolio 2012	5.26%	7.84%	36.20%
Delaware Portfolio 2012 Composite	4.79%	16.21%	33.46%
LB Int Govt/Credit Bond	1.58%	30.67%	50.96%
LB 3 Month US T-Bill	3.07%	12.28%	28.05%
ML U.S. High Yield Master II	2.74%	49.61%	42.38%
MSCI EAFE	13.72%	26.23%	40.32%
Dow Jones Wilshire 5000 Composite Index	6.38%	10.98%	27.38%

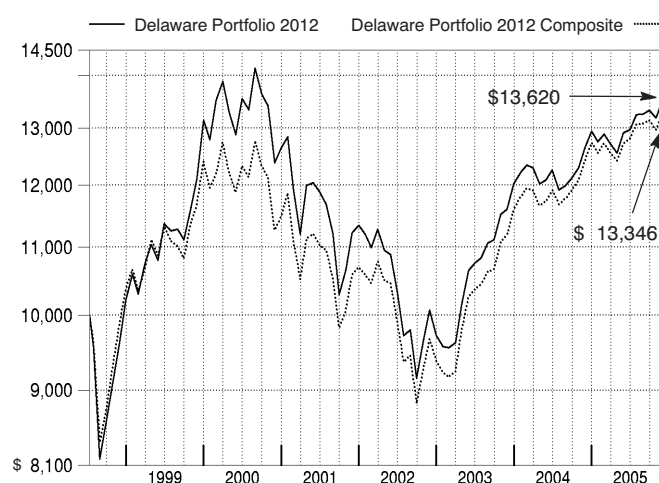
Cumulative total returns show the Portfolio's performance in percentage terms over a set period of time — in this case, one year or since the Portfolio started on July 13, 1998. For example, if you had invested \$1,000 in a portfolio that had a 5% return over the past year, the value of your investment would be \$1,050. You can compare the Portfolio's returns to the performance of the Delaware Portfolio 2012 Composite Index, an approximate weighted combination of the following unmanaged indices: the Lehman Brothers Intermediate Government/Credit Bond Index, the Lehman Brothers 3-Month U.S. Treasury Bill Index, the Merrill Lynch U.S. High Yield Master II Index, the Morgan Stanley Capital International Europe, Australasia, Far East Index, and the Dow Jones Wilshire 5000 Composite Index. The index weightings are adjusted periodically to reflect the Portfolio's changing asset allocations. These benchmarks include reinvested dividends and capital gains, if any. The index returns are for the one-year and five-year time periods ending December 31, 2005 and for the period from July 13, 1998 to December 31, 2005.

Average Annual Total Returns

Periods ended December 31, 2005	Past 1 year	Past 5 years	Life of Portfolio
Delaware Portfolio 2012	5.26%	1.52%	4.22%
Delaware Portfolio 2012 Composite	4.79%	3.05%	3.94%
LB Int Govt/Credit Bond	1.58%	5.50%	5.66%
LB 3 Month US T-Bill	3.07%	2.34%	3.36%
ML U.S. High Yield Master II	2.74%	8.39%	4.84%
MSCI EAFE	13.72%	4.77%	4.64%
Dow Jones Wilshire 5000 Composite Index	6.38%	2.10%	3.29%

Average annual total returns take the Portfolio's cumulative return and show you what would have happened if the Portfolio had performed at a constant rate each year.

\$10,000 Over Life of Portfolio



Life of Portfolio: Let's say hypothetically that \$10,000 was invested in Delaware Portfolio 2012 on July 13, 1998, when the Portfolio started. As the chart shows, by December 31, 2005, the value of the investment would have been \$13,620 — a 36.20% increase on the initial investment. For comparison, look at how the Delaware Portfolio 2012 Composite Index did over the same period. With dividends and capital gains, if any, reinvested, the same \$10,000 would have been \$13,346 — a 33.46% increase.



Understanding Performance

How a portfolio did yesterday is no guarantee of how it will do tomorrow. The stock market, for example, has a history of long-term growth and short-term volatility. In turn, the unit price and return of a portfolio that invests in stocks will vary. That means if you sell your units during a market downturn, you might lose money. But if you can ride out the market's ups and downs, you may have a gain.

Delaware Portfolio 2015 Performance: The Bottom Line

Performance

There are several ways to evaluate a portfolio's historical performance. You can look at the total percentage change in value, the average annual percentage change or the growth of a hypothetical \$10,000 investment. Total return reflects the change in the value of an investment.

Cumulative Total Returns

Periods ended December 31, 2005	Past 1 year	Past 5 years	Life of Portfolio
Delaware Portfolio 2015	6.16%	5.65%	32.80%
Delaware Portfolio 2015 Composite	5.46%	14.56%	29.53%
LB Int Govt/Credit Bond	1.58%	30.67%	50.96%
ML U.S. High Yield Master II	2.74%	49.61%	42.38%
MSCI EAFE	13.72%	26.23%	40.32%
Dow Jones Wilshire 5000 Composite Index	6.38%	10.98%	27.38%

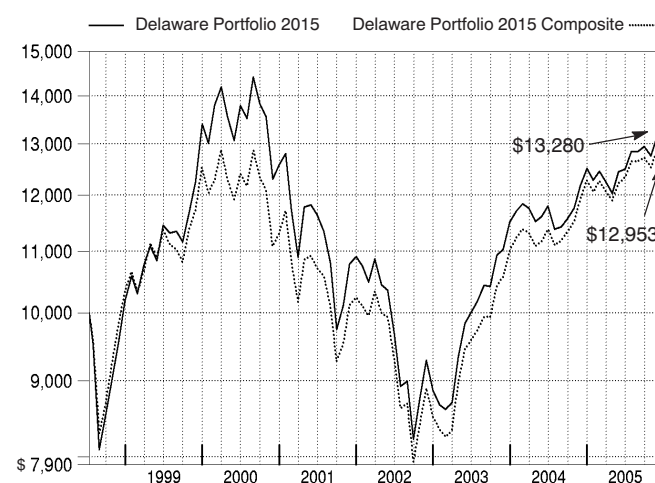
Cumulative total returns show the Portfolio's performance in percentage terms over a set period of time — in this case, one year or since the Portfolio started on July 13, 1998. For example, if you had invested \$1,000 in a portfolio that had a 5% return over the past year, the value of your investment would be \$1,050. You can compare the Portfolio's returns to the performance of the Delaware Portfolio 2015 Composite Index, an approximate weighted combination of the following unmanaged indices: the Lehman Brothers Intermediate Government/Credit Bond Index, the Merrill Lynch U.S. High Yield Master II Index, the Morgan Stanley Capital International Europe, Australasia, Far East Index, and the Dow Jones Wilshire 5000 Composite Index. The index weightings are adjusted periodically to reflect the Portfolio's changing asset allocations. These benchmarks include reinvested dividends and capital gains, if any. The index returns are for the one-year and five-year time periods ending December 31, 2005 and for the period from July 13, 1998 to December 31, 2005.

Average Annual Total Returns

Periods ended December 31, 2005	Past 1 year	Past 5 years	Life of Portfolio
Delaware Portfolio 2015	6.16%	1.10%	3.87%
Delaware Portfolio 2015 Composite	5.46%	2.76%	3.52%
LB Int Govt/Credit Bond	1.58%	5.50%	5.66%
ML U.S. High Yield Master II	2.74%	8.39%	4.84%
MSCI EAFE	13.72%	4.77%	4.64%
Dow Jones Wilshire 5000 Composite Index	6.38%	2.10%	3.29%

Average annual total returns take the Portfolio's cumulative return and show you what would have happened if the Portfolio had performed at a constant rate each year.

\$10,000 Over Life of Portfolio



Life of Portfolio: Let's say hypothetically that \$10,000 was invested in Delaware Portfolio 2015 on July 13, 1998, when the Portfolio started. As the chart shows, by December 31, 2005, the value of the investment would have been \$13,280 — a 32.80% increase on the initial investment. For comparison, look at how the Delaware Portfolio 2015 Composite Index did over the same period. With dividends and capital gains, if any, reinvested, the same \$10,000 would have been \$12,953 — a 29.53% increase.



Understanding Performance

How a portfolio did yesterday is no guarantee of how it will do tomorrow. The stock market, for example, has a history of long-term growth and short-term volatility. In turn, the unit price and return of a portfolio that invests in stocks will vary. That means if you sell your units during a market downturn, you might lose money. But if you can ride out the market's ups and downs, you may have a gain.

Delaware Portfolio 2018 Performance: The Bottom Line

Performance

There are several ways to evaluate a portfolio's historical performance. You can look at the total percentage change in value, the average annual percentage change or the growth of a hypothetical \$10,000 investment. Total return reflects the change in the value of an investment.

Cumulative Total Returns

Periods ended December 31, 2005	Past 1 year	Past 5 years	Life of Portfolio
Delaware Portfolio 2018	6.82%	5.43%	30.00%
Delaware Portfolio 2018 Composite	5.79%	14.55%	24.21%
LB Int Govt/Credit Bond	1.58%	30.67%	44.41%
ML U.S. High Yield Master II	2.74%	49.61%	45.31%
MSCI EAFE	13.72%	26.23%	35.13%
Dow Jones Wilshire 5000 Composite Index	6.38%	10.98%	22.29%

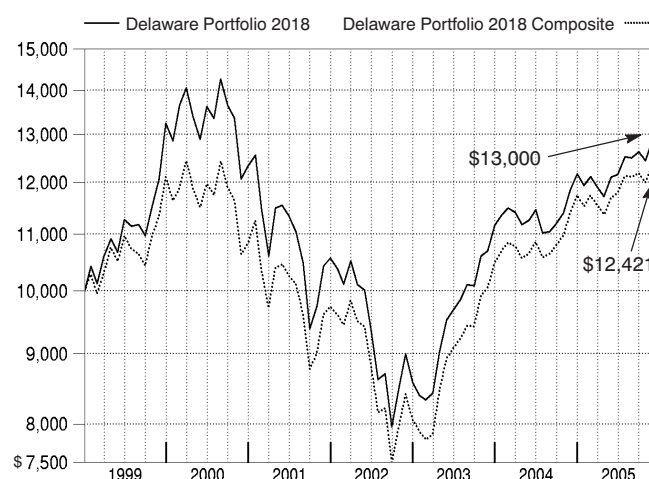
Cumulative total returns show the Portfolio's performance in percentage terms over a set period of time — in this case, one year or since the Portfolio started on January 4, 1999. For example, if you had invested \$1,000 in a portfolio that had a 5% return over the past year, the value of your investment would be \$1,050. You can compare the Portfolio's returns to the performance of the Delaware Portfolio 2018 Composite Index, an approximate weighted combination of the following unmanaged indices: the Lehman Brothers Intermediate Government/Credit Bond Index, the Merrill Lynch U.S. High Yield Master II Index, the Morgan Stanley Capital International Europe, Australasia, Far East Index, and the Dow Jones Wilshire 5000 Composite Index. The index weightings are adjusted periodically to reflect the Portfolio's changing asset allocations. These benchmarks include reinvested dividends and capital gains, if any. The index returns are for the one-year and five-year time periods ending December 31, 2005 and for the period from January 4, 1999 to December 31, 2005.

Average Annual Total Returns

Periods ended December 31, 2005	Past 1 year	Past 5 years	Life of Portfolio
Delaware Portfolio 2018	6.82%	1.06%	3.82%
Delaware Portfolio 2018 Composite	5.79%	2.75%	3.15%
LB Int Govt/Credit Bond	1.58%	5.50%	5.39%
ML U.S. High Yield Master II	2.74%	8.39%	5.49%
MSCI EAFE	13.72%	4.77%	4.40%
Dow Jones Wilshire 5000 Composite Index	6.38%	2.10%	2.92%

Average annual total returns take the Portfolio's cumulative return and show you what would have happened if the Portfolio had performed at a constant rate each year.

\$10,000 Over Life of Portfolio



Life of Portfolio: Let's say hypothetically that \$10,000 was invested in Delaware Portfolio 2018 on January 4, 1999, when the Portfolio started. As the chart shows, by December 31, 2005, the value of the investment would have been \$13,000 — a 30.00% increase on the initial investment. For comparison, look at how the Delaware Portfolio 2018 Composite Index did over the same period. With dividends and capital gains, if any, reinvested, the same \$10,000 would have been \$12,421 — a 24.21% increase.



Understanding Performance

How a portfolio did yesterday is no guarantee of how it will do tomorrow. The stock market, for example, has a history of long-term growth and short-term volatility. In turn, the unit price and return of a portfolio that invests in stocks will vary. That means if you sell your units during a market downturn, you might lose money. But if you can ride out the market's ups and downs, you may have a gain.

Delaware Portfolio 2021

Performance: The Bottom Line

Performance

There are several ways to evaluate a portfolio's historical performance. You can look at the total percentage change in value, the average annual percentage change or the growth of a hypothetical \$10,000 investment. Total return reflects the change in the value of an investment.

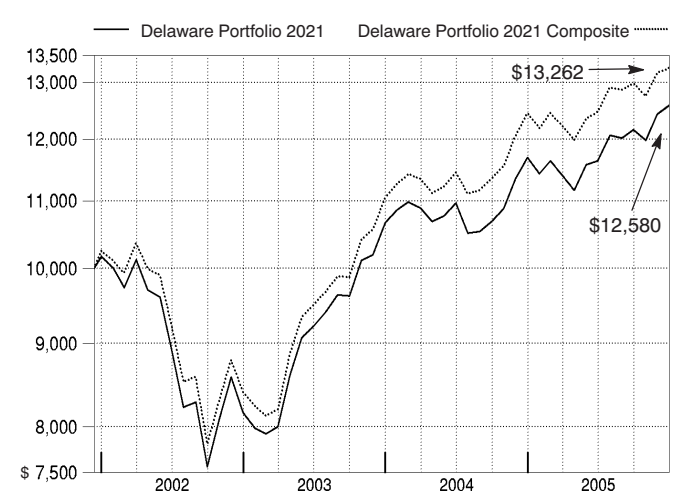
Cumulative Total Returns		
Periods ended December 31, 2005	Past 1 year	Life of Portfolio
Delaware Portfolio 2021	7.61%	25.80%
Delaware Portfolio 2021 Composite	6.53%	32.62%
ML U.S. High Yield Master II	2.74%	43.36%
MSCI EAFE	13.72%	64.14%
Dow Jones Wilshire 5000 Composite Index	6.38%	28.31%

Cumulative total returns show the Portfolio's performance in percentage terms over a set period of time — in this case, since the Portfolio started on December 13, 2001. For example, if you had invested \$1,000 in a portfolio that had a 5% return over the past year, the value of your investment would be \$1,050. You can compare the Portfolio's returns to the performance of the Delaware Portfolio 2021 Composite Index, an approximate weighted combination of the following unmanaged indices: the Merrill Lynch High Yield Master II Index, the Morgan Stanley Capital International Europe, Australasia, Far East Index, and the Dow Jones Wilshire 5000 Composite Index. The index weightings are adjusted periodically to reflect the Portfolio's changing asset allocations. These benchmarks include reinvested dividends and capital gains, if any. The index returns are for the one-year time period ending December 31, 2005 and for the period from December 13, 2001 to December 31, 2005.

Average Annual Total Returns		
Periods ended December 31, 2005	Past 1 year	Life of Portfolio
Delaware Portfolio 2021	7.61%	5.83%
Delaware Portfolio 2021 Composite	6.53%	7.22%
ML U.S. High Yield Master II	2.74%	9.30%
MSCI EAFE	13.72%	13.01%
Dow Jones Wilshire 5000 Composite Index	6.38%	6.35%

Average annual total returns take the Portfolio's cumulative return and show you what would have happened if the Portfolio had performed at a constant rate each year.

\$10,000 Over Life of Portfolio



Life of Portfolio: Let's say hypothetically that \$10,000 was invested in Delaware Portfolio 2021 on December 13, 2001, when the Portfolio started. As the chart shows, by December 31, 2005, the value of the investment would have been \$12,580 — a 25.80% increase on the initial investment. For comparison, look at how the Delaware Portfolio 2021 Composite Index did over the same period. With dividends and capital gains, if any, reinvested, the same \$10,000 would have been \$13,262 — a 32.62% increase.



Understanding Performance

How a portfolio did yesterday is no guarantee of how it will do tomorrow. The stock market, for example, has a history of long-term growth and short-term volatility. In turn, the unit price and return of a portfolio that invests in stocks will vary. That means if you sell your units during a market downturn, you might lose money. But if you can ride out the market's ups and downs, you may have a gain.

Delaware Portfolio 2024

Performance: The Bottom Line

Performance

There are several ways to evaluate a portfolio's historical performance. You can look at the total percentage change in value, the average annual percentage change or the growth of a hypothetical \$10,000 investment. Total return reflects the change in the value of an investment.

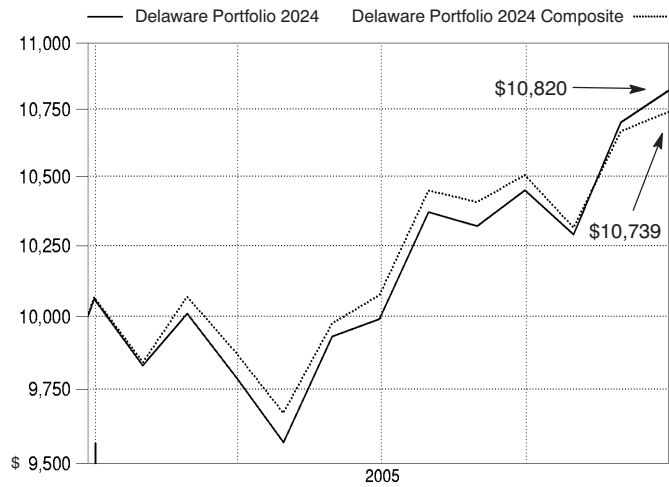
Cumulative Total Returns		
Periods ended December 31, 2005	Past 1 year	Life of Portfolio
Delaware Portfolio 2024	7.55%	8.20%
Delaware Portfolio 2024 Composite	6.68%	7.39%
ML U.S. High Yield Master II	2.74%	2.89%
MSCI EAFE	13.72%	14.22%
Dow Jones Wilshire 5000 Composite Index	6.38%	7.20%

Cumulative total returns show the Portfolio's performance in percentage terms over a set period of time — in this case, since the Portfolio started on December 27, 2004. For example, if you had invested \$1,000 in a portfolio that had a 5% return over the past year, the value of your investment would be \$1,050. You can compare the Portfolio's returns to the performance of the Delaware Portfolio 2024 Composite Index, an approximate weighted combination of the following unmanaged indices: the Merrill Lynch High Yield Master II Index, the Morgan Stanley Capital International Europe, Australasia, Far East Index, and the Dow Jones Wilshire 5000 Composite Index. The index weightings are adjusted periodically to reflect the Portfolio's changing asset allocations. These benchmarks include reinvested dividends and capital gains, if any. The index returns are for the one-year time period ending December 31, 2005 and for the period from December 27, 2004 to December 31, 2005.

Average Annual Total Returns		
Periods ended December 31, 2005	Past 1 year	Life of Portfolio
Delaware Portfolio 2024	7.55%	8.11%
Delaware Portfolio 2024 Composite	6.68%	7.31%
ML U.S. High Yield Master II	2.74%	2.86%
MSCI EAFE	13.72%	14.06%
Dow Jones Wilshire 5000 Composite Index	6.38%	7.12%

Average annual total returns take the Portfolio's cumulative return and show you what would have happened if the Portfolio had performed at a constant rate each year.

\$10,000 Over Life of Portfolio



Life of Portfolio: Let's say hypothetically that \$10,000 was invested in Delaware Portfolio 2024 on December 27, 2004, when the Portfolio started. As the chart shows, by December 31, 2005, the value of the investment would have been \$10,820 — an 8.20% increase on the initial investment. For comparison, look at how the Delaware Portfolio 2024 Composite Index did over the same period. With dividends and capital gains, if any, reinvested, the same \$10,000 would have been \$10,739 — a 7.39% increase.



Understanding Performance

How a portfolio did yesterday is no guarantee of how it will do tomorrow. The stock market, for example, has a history of long-term growth and short-term volatility. In turn, the unit price and return of a portfolio that invests in stocks will vary. That means if you sell your units during a market downturn, you might lose money. But if you can ride out the market's ups and downs, you may have a gain.

Performance: The Bottom Line

Performance

There are several ways to evaluate a portfolio's historical performance. You can look at the total percentage change in value, the average annual percentage change or the growth of a hypothetical \$10,000 investment. Total return reflects the change in the value of an investment.

Cumulative Total Returns

Periods ended December 31, 2005	Past 1 year	Life of Portfolio
Delaware Conservative Portfolio	2.14%	14.80%
Delaware Conservative Portfolio Composite	2.41%	13.29%
LB Int Govt/Credit Bond	1.58%	20.49%
LB 3 Month US T-Bill	3.07%	7.58%

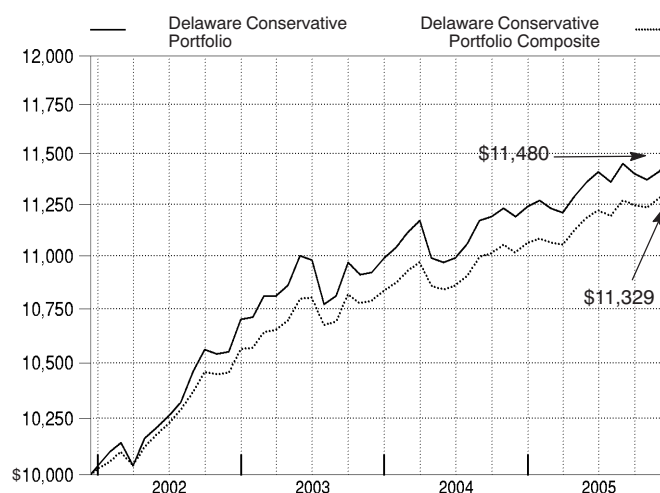
Cumulative total returns show the Portfolio's performance in percentage terms over a set period of time — in this case, since the Portfolio started on December 13, 2001. For example, if you had invested \$1,000 in a portfolio that had a 5% return over the past year, the value of your investment would be \$1,050. You can compare the Portfolio's returns to the performance of the Delaware Conservative Portfolio Composite Index, an approximate weighted combination of the following unmanaged indices: the Lehman Brothers Intermediate Government/Credit Bond Index, and the Lehman Brothers 3-month U.S. Treasury Bill Index. The index weightings are adjusted periodically to reflect the Portfolio's changing asset allocations. These benchmarks include reinvested dividends and capital gains, if any. The index returns are for the one-year time period ending December 31, 2005 and for the period from December 13, 2001 to December 31, 2005.

Average Annual Total Returns

Periods ended December 31, 2005	Past 1 year	Life of Portfolio
Delaware Conservative Portfolio	2.14%	3.46%
Delaware Conservative Portfolio Composite	2.41%	3.13%
LB Int Govt/Credit Bond	1.58%	4.71%
LB 3 Month US T-Bill	3.07%	1.82%

Average annual total returns take the Portfolio's cumulative return and show you what would have happened if the Portfolio had performed at a constant rate each year.

\$10,000 Over Life of Portfolio



Life of Portfolio: Let's say hypothetically that \$10,000 was invested in Delaware Conservative Portfolio on December 13, 2001, when the Portfolio started. As the chart shows, by December 31, 2005, the value of the investment would have grown to \$11,480 — a 14.80% increase on the initial investment. For comparison, look at how the Delaware Conservative Portfolio Composite Index did over the same period. With dividends and capital gains, if any, reinvested, the same \$10,000 would have grown to \$11,329 — a 13.29% increase.



Understanding Performance

How a portfolio did yesterday is no guarantee of how it will do tomorrow. The stock market, for example, has a history of long-term growth and short-term volatility. In turn, the unit price and return of a portfolio that invests in stocks will vary. That means if you sell your units during a market downturn, you might lose money. But if you can ride out the market's ups and downs, you may have a gain.

Delaware 70% Equity Portfolio

Performance: The Bottom Line

Performance

There are several ways to evaluate a portfolio's historical performance. You can look at the total percentage change in value, the average annual percentage change or the growth of a hypothetical \$10,000 investment. Total return reflects the change in the value of an investment.

Cumulative Total Returns

Periods ended December 31, 2005	Past 1 year	Life of Portfolio
Delaware 70% Equity Portfolio	6.70%	19.50%
Delaware 70% Equity Portfolio Composite	5.84%	23.87%
LB Int Govt/Credit Bond	1.58%	26.11%
ML U.S. High Yield Master II	2.74%	41.24%
MSCI EAFE	13.72%	36.43%
Dow Jones Wilshire 5000 Composite Index	6.38%	16.27%

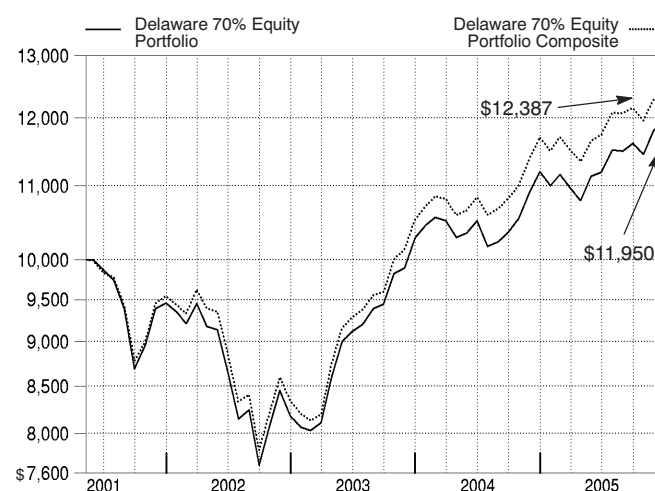
Cumulative total returns show the Portfolio's performance in percentage terms over a set period of time — in this case, one year or since the Portfolio started on May 10, 2001. For example, if you had invested \$1,000 in a portfolio that had a 5% return over the past year, the value of your investment would be \$1,050. You can compare the Portfolio's returns to the performance of the Delaware 70% Equity Portfolio Composite Index, an approximate weighted combination of the following unmanaged indices: the Lehman Brothers Intermediate Government/Credit Bond Index, the Merrill Lynch U.S. High Yield Master II Index, the Morgan Stanley Capital International Europe, Australasia, Far East Index, and the Dow Jones Wilshire 5000 Composite Index. The index weightings are adjusted periodically to reflect the Portfolio's changing asset allocations. These benchmarks include reinvested dividends and capital gains, if any. The index returns are for the one-year time period ending December 31, 2005 and for the period from May 10, 2001 to December 31, 2005.

Average Annual Total Returns

Periods ended December 31, 2005	Past 1 year	Life of Portfolio
Delaware 70% Equity Portfolio	6.70%	3.91%
Delaware 70% Equity Portfolio Composite	5.84%	4.71%
LB Int Govt/Credit Bond	1.58%	5.12%
ML U.S. High Yield Master II	2.74%	7.71%
MSCI EAFE	13.72%	6.91%
Dow Jones Wilshire 5000 Composite Index	6.38%	3.30%

Average annual total returns take the Portfolio's cumulative return and show you what would have happened if the Portfolio had performed at a constant rate each year.

\$10,000 Over Life of Portfolio



Life of Portfolio: Let's say hypothetically that \$10,000 was invested in Delaware 70% Equity Portfolio on May 10, 2001, when the Portfolio started. As the chart shows, by December 31, 2005, the value of the investment would have been \$11,950 — a 19.50% increase on the initial investment. For comparison, look at how the Delaware 70% Equity Portfolio Composite Index did over the same period. With dividends and capital gains, if any, reinvested, the same \$10,000 would have been \$12,387 — a 23.87% increase.



Understanding Performance

How a portfolio did yesterday is no guarantee of how it will do tomorrow. The stock market, for example, has a history of long-term growth and short-term volatility. In turn, the unit price and return of a portfolio that invests in stocks will vary. That means if you sell your units during a market downturn, you might lose money. But if you can ride out the market's ups and downs, you may have a gain.

Delaware 100% Equity Portfolio

Performance: The Bottom Line

Performance

There are several ways to evaluate a portfolio's historical performance. You can look at the total percentage change in value, the average annual percentage change or the growth of a hypothetical \$10,000 investment. Total return reflects the change in the value of an investment.

Cumulative Total Returns

Periods ended December 31, 2005	Past 1 year	Life of Portfolio
Delaware 100% Equity Portfolio	8.50%	12.30%
Delaware 100% Equity Portfolio Composite	7.49%	18.54%
MSCI EAFE	13.72%	35.21%
Dow Jones Wilshire 5000 Composite Index	6.38%	15.58%

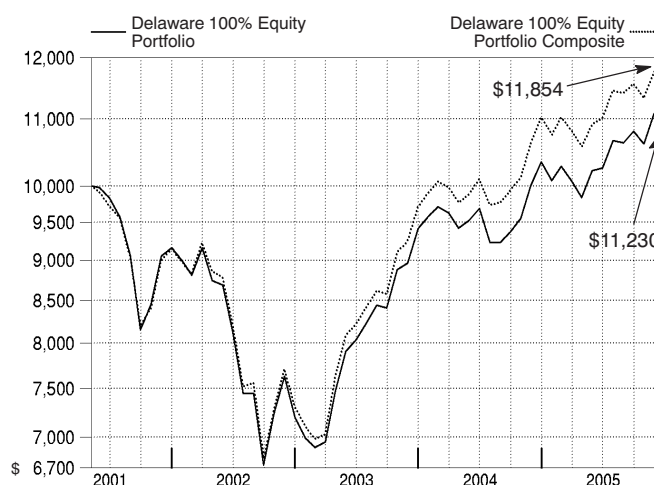
Cumulative total returns show the Portfolio's performance in percentage terms over a set period of time — in this case, one year or since the Portfolio started on May 7, 2001. For example, if you had invested \$1,000 in a portfolio that had a 5% return over the past year, the value of your investment would be \$1,050. You can compare the Portfolio's returns to the performance of the Delaware 100% Equity Portfolio Composite Index, an approximate weighted combination of the following unmanaged indices: the Morgan Stanley Capital International Europe, Australasia, Far East Index and the Dow Jones Wilshire 5000 Composite Index. The index weightings are adjusted periodically to reflect the Portfolio's changing asset allocations. These benchmarks include reinvested dividends and capital gains, if any. The index returns are for the one-year time period ending December 31, 2005 and for the period from May 7, 2001 to December 31, 2005.

Average Annual Total Returns

Periods ended December 31, 2005	Past 1 year	Life of Portfolio
Delaware 100% Equity Portfolio	8.50%	2.52%
Delaware 100% Equity Portfolio Composite	7.49%	3.72%
MSCI EAFE	13.72%	6.70%
Dow Jones Wilshire 5000 Composite Index	6.38%	3.16%

Average annual total returns take the Portfolio's cumulative return and show you what would have happened if the Portfolio had performed at a constant rate each year.

\$10,000 Over Life of Portfolio



Life of Portfolio: Let's say hypothetically that \$10,000 was invested in Delaware 100% Equity Portfolio on May 7, 2001, when the Portfolio started. As the chart shows, by December 31, 2005, the value of the investment would have been \$11,230 — a 12.30% increase on the initial investment. For comparison, look at how the Delaware 100% Equity Portfolio Composite Index did over the same period. With dividends and capital gains, if any, reinvested, the same \$10,000 would have been \$11,854 — an 18.54% increase.



Understanding Performance

How a portfolio did yesterday is no guarantee of how it will do tomorrow. The stock market, for example, has a history of long-term growth and short-term volatility. In turn, the unit price and return of a portfolio that invests in stocks will vary. That means if you sell your units during a market downturn, you might lose money. But if you can ride out the market's ups and downs, you may have a gain.

Fund Talk: The Managers' Overview



Note to shareholders: The following is an interview with Christopher Sharpe (left) and Jonathan Shelon, who became Co-Portfolio Managers of the Delaware College Investment Plan on August 1, 2005.

Q. How did the Portfolios perform during the past year, Jonathan?

J.S. During the 12-month period ending December 31, 2005, the age-based Portfolios of the Delaware College Investment Plan (Delaware Plan) performed in line with their age-appropriate risk levels, meaning that the more aggressively positioned Portfolios achieved higher returns due to the solid overall performance of equities in 2005. Most of the age-based Portfolios finished well ahead of their custom benchmarks, the sole exception being the College Portfolio, which lagged slightly. Among the static portfolios, the Plan's 100% Equity and 70% Equity Portfolios both outperformed their benchmarks, while the Conservative Portfolio trailed by a modest margin. *(For specific performance results on the age-based Portfolios and the static allocation Portfolios available in the Delaware Plan, please see the performance sections of this report.)*

Q. How would you describe the market environment during the past 12 months?

J.S. Performance in the equity markets generally was strong, particularly among international stocks. While the Dow Jones Wilshire 5000 Composite IndexSM, the broad U.S. equity market index used in the Delaware Plan's composite benchmarks, rose 6.38% during the past 12 months, the Morgan Stanley Capital InternationalSM Europe, Australasia, Far East (MSCI[®] EAFE[®]) Index, a broad-based benchmark for the international equity markets, gained a more robust 13.72%. If you look at the Plan's age-based Portfolios — from the 2024 Portfolio right on through to the College Portfolio — all of them performed in line with their equity allocations, meaning that the greater the equity allocation of each Portfolio, the better its performance. This helps explain the smaller returns achieved by both the College Portfolio, which had only 20% of its net assets invested in equities, and the Conservative Portfolio, whose structure includes no equities at all. The underlying international equity funds that we use — Fidelity[®] Overseas Fund and Fidelity Diversified International Fund — both beat the MSCI EAFE index by fairly sizable margins. Meanwhile, four of the seven underlying domestic equity funds outpaced the return of the Dow Jones Wilshire 5000 index, with Fidelity Growth Company Fund and Fidelity Disciplined Equity Fund providing the best returns during the past year. Both of these funds benefited from astute stock selection, particularly in the information technology sector.

Q. Chris, what can you tell us about how the other asset classes in the Portfolios fared?

C.S. Bonds also had a favorable overall impact on the Portfolios' returns during the period. Relative performance for the category was strong for the most part, with all three of the Plan's underlying investment-grade bond funds and both of its high-yield funds outperforming their respective benchmarks. The high-yield bond class performed the best, with the underlying Fidelity Capital & Income Fund, in particular, delivering a return that handily exceeded the 2.74% gain of the Merrill Lynch[®] U.S. High Yield Master II Index. In the investment-grade bond category, the underlying Fidelity Investment Grade Bond Fund and Fidelity Government Income Fund both beat the 1.58% return of the benchmark Lehman Brothers[®] Intermediate Government/Credit Bond Index by fairly wide margins. The Plan's short-term bond and money market funds did not fare as well, however, as both trailed the 3.07% annual return of the Lehman Brothers 3-Month Treasury Bill Index.

Q. Would you elaborate a bit further on the Plan's age-based allocation strategy?

C.S. The basic premise of the Delaware Plan's age-based Portfolios is to try to ensure that investors have the best probability of reaching the education savings goals of their intended beneficiaries. We pursue this objective by taking certain "knowns" — such as an investor's time horizon and the historical performance of certain asset classes — and then we structure each of the age-based Portfolios in such a way that its asset allocation becomes more conservatively positioned — owning fewer equities, that is — as the beneficiary's matriculation date draws nearer. In other words, we build Portfolios that expose investors to multiple asset classes, allocated according to the length of time until matriculation, so that they avoid the dual risks of excessive caution when the beneficiary is young and excessive risk-taking when the beneficiary is approaching enrollment. While the relative short-term performance of the Portfolios is important, what is more critical for Plan investors trying to achieve college savings goals is how well our age-based asset allocation model works over time.

Q. Back to you, Jonathan. What's your outlook for the months ahead?

J.S. Macroeconomic factors such as the future direction of interest rates or next month's energy prices are always tough to predict. From our point of view, however, these short-term factors are less material, because Chris and I manage the Delaware Plan's Portfolios with a long-term focus. The investment strategy is constructed for very specific time horizons, focusing on how different asset classes tend to interact over time. We believe it's important to maintain an age-appropriate mix of investments in multiple asset classes and disciplines. The managers and research analysts of the Portfolios' underlying mutual funds select the individual securities that they think best meet their funds' investment objectives. As the asset allocation roll-down process progresses and individual funds meet their goals, our strategy helps ensure that investors' college savings accounts have a strong probability of meeting their goals.

Fund Talk: The Managers' Overview – continued

During the coming months, we'll gradually reallocate each of the target investment mixes of the Delaware Plan's age-based Portfolios. The table

below illustrates the target mix we'd like to achieve for each Portfolio on June 30, 2006.

Projected Mix Target											
	College	2006	2009	2012	2015	2018	2021	2024	Conservative	70% Equity	100% Equity
Domestic Equity Funds	20.00%	24.17%	30.35%	43.80%	53.74%	63.74%	74.62%	77.62%	—	60.00%	85.00%
International Equity Funds	—	0.69%	2.83%	4.87%	6.75%	7.87%	9.75%	10.00%	—	10.00%	15.00%
Investment Grade Fixed-Income Funds	40.00%	40.89%	50.38%	41.01%	29.51%	21.01%	5.63%	0.63%	45.00%	20.00%	—
High Yield Fixed-Income Funds	—	—	—	—	4.37%	6.75%	10.00%	11.75%	—	10.00%	—
Short-Term Bond and Money Market Funds	40.00%	34.25%	16.44%	10.32%	5.63%	0.63%	—	—	55.00%	—	—

Reflecting the changes to the target investment mixes described above, each Portfolio's composite benchmark will change its allocation, as necessary, from January 1, 2006, to June 30, 2006. The table below illustrates these changes.

Composite Benchmarks											
	College	2006	2009	2012	2015	2018	2021	2024	Conservative	70% Equity	100% Equity
Dow Jones Wilshire 5000 Composite Index	20.00%	24.92%	31.58%	44.65%	54.59%	64.61%	74.92%	78.02%	—	60.00%	85.00%
MSCI EAFE Index	—	1.24%	3.02%	5.06%	7.05%	8.09%	9.98%	9.97%	—	10.00%	15.00%
LB Int Govt/Credit Bond Index	40.00%	41.30%	49.82%	40.15%	28.54%	20.12%	5.24%	0.32%	45.00%	20.00%	—
ML U.S. Yield Master II	—	—	—	0.09%	4.64%	6.86%	9.86%	11.69%	—	10.00%	—
LB 3-Month U.S. T-Bill	40.00%	32.54%	15.58%	10.05%	5.18%	0.32%	—	—	55.00%	—	—

The views expressed in the Fund Talk section of this report reflect those of the portfolio managers only through the end of the period of the report as stated on the cover and do not necessarily represent the views of Fidelity or any other person in the Fidelity organization. Any such views are subject to change at any time based upon market or other conditions, and Fidelity disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for each Portfolio are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Portfolio.



Portfolio Facts

Goal: All of the Portfolios except the Conservative Portfolio, 70% Equity Portfolio and 100% Equity Portfolio seek capital appreciation with reasonable safety of principal, consistent with the ages of the beneficiaries for whom they are designed. The investment objective of Conservative Portfolio is preservation of capital by allocating its assets among bond and money market funds. Income is a secondary objective. The investment objective of 70% Equity Portfolio is to maximize total return over the long term by allocating assets among stock and bond funds. The investment objective of 100% Equity Portfolio is long-term growth of capital.

Start dates: July 13, 1998, except 2018 Portfolio, which started on January 4, 1999; 70% Equity Portfolio and 100% Equity Portfolio, which started on May 10, 2001, and May 7, 2001, respectively; 2021 Portfolio and Conservative Portfolio, both of which started on December 13, 2001; and 2024 Portfolio, which started on December 27, 2004

Size: as of December 31, 2005, more than \$9 million (College); \$27 million (2006); \$36 million (2009); \$41 million (2012); \$43 million (2015); \$49 million (2018); \$22 million (2021); \$1 million (2024); \$6 million (Conservative); \$13 million (70% Equity); \$27 million (100% Equity)

Co-Managers: Christopher Sharpe, since August 2005; co-manager, college investment plans for Arizona, Massachusetts and New Hampshire, since 2005; joined Fidelity in 2002; Jonathan Shelon, since August 2005; co-manager, college investment plans for Arizona, Massachusetts and New Hampshire, since 2005; joined Fidelity in 2001

Chris Sharpe and Jonathan Shelon discuss the benefits of the structured investment approach used to manage the Delaware Plan's age-based Portfolios:

Chris Sharpe: "A common investing tenet is that corporate earnings tend to drive stock prices, and history has shown that those companies with solid and consistent earnings growth also have experienced strong stock price appreciation over time. But good business fundamentals alone are no guarantee of stock appreciation within a short period of time. Quick and decisive stock movements typically are affected by both fundamentals and short-term market psychology — or human emotion — the latter of which may or may not be rational. For example, some companies may deliver strong quarterly profit growth, but still see their stocks go nowhere. This can occur for many reasons. The market may believe, for example, that a company's results in the prior quarter were solid, but that its future outlook is less promising, so its stock price falls."

Jonathan Shelon: "Correctly identifying the market's perceptions of a company is a daunting task for any investor. The structured investment approach of the Delaware Plan strives to simplify the investment process and strip away human emotion. The asset allocations of the Plan's age-based Portfolios roll down over time according to a specified target, meaning they will gradually become more conservative as beneficiaries near their expected matriculation dates. This roll-down is a form of risk control that helps keep the Portfolios from falling victim to the severe short-term weakness of any one particular asset class. The Plan's asset allocation mixes are the foundation of its investment structure, which we believe is the best way to help investors meet the college savings goals of their intended beneficiaries."

Delaware College Portfolio Investment Summary

Portfolio Holdings as of December 31, 2005

% of Portfolio's
investments

Domestic Equity Funds

Fidelity Blue Chip Growth Fund	2.7
Fidelity Disciplined Equity Fund	2.8
Fidelity Dividend Growth Fund	2.8
Fidelity Equity-Income Fund	3.8
Fidelity Fund	1.2
Fidelity Growth & Income Portfolio	1.5
Fidelity Growth Company Fund	2.2
Fidelity OTC Portfolio	1.6
Fidelity Small Cap Independence Fund	1.0

19.6

Investment Grade Fixed-Income Funds

Fidelity Government Income Fund	15.6
Fidelity Intermediate Bond Fund	10.1
Fidelity Investment Grade Bond Fund	14.7

40.4

Short-Term Funds

Fidelity Cash Reserves Fund	20.2
Fidelity Short-Term Bond Fund	19.8

40.0

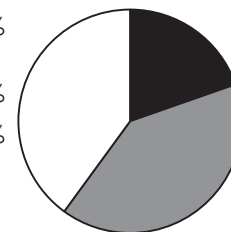
100.0

Asset Allocation (% of Portfolio's investments)

As of December 31, 2005

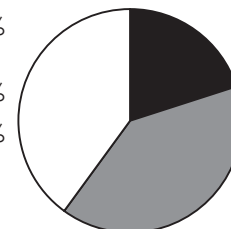
Current

Domestic Equity Funds	19.6%
Investment Grade Fixed-Income Funds	40.4%
Short-Term Funds	40.0%



Expected

Domestic Equity Funds	20.0%
Investment Grade Fixed-Income Funds	40.0%
Short-Term Funds	40.0%



The current allocation is based on the Portfolio's holdings as of December 31, 2005. The expected allocation represents the Portfolio's anticipated target asset allocation at June 30, 2006.

Delaware College Portfolio

Investments December 31, 2005

Showing Percentage of Total Value of Investment in Securities

Equity Funds — 19.6%

	Shares	Value (Note 1)
Domestic Equity Funds — 19.6%		
Fidelity Blue Chip Growth Fund	6,184	\$ 266,898
Fidelity Disciplined Equity Fund	9,910	274,616
Fidelity Dividend Growth Fund	9,482	272,981
Fidelity Equity-Income Fund	7,110	375,274
Fidelity Fund	3,771	119,991
Fidelity Growth & Income Portfolio	4,447	152,960
Fidelity Growth Company Fund	3,391	215,768
Fidelity OTC Portfolio	4,271	161,404
Fidelity Small Cap Independence Fund ..	5,008	102,560

TOTAL EQUITY FUNDS

(Cost \$1,817,387) **1,942,452**

Fixed-Income Funds — 40.4%

Investment Grade Fixed-Income Funds — 40.4%

Fidelity Government Income Fund	153,288	1,551,275
Fidelity Intermediate Bond Fund	96,872	996,810
Fidelity Investment Grade Bond Fund ...	197,717	1,457,178

TOTAL FIXED-INCOME FUNDS

(Cost \$4,065,570) **4,005,263**

Short-Term Funds — 40.0%

Fidelity Cash Reserves Fund	2,001,592	2,001,592
Fidelity Short-Term Bond Fund	221,953	1,966,503

TOTAL SHORT-TERM FUNDS

(Cost \$3,989,246) **3,968,095**

TOTAL INVESTMENT IN SECURITIES — 100%

(Cost \$9,872,203) **\$ 9,915,810**

See accompanying notes which are an integral part of the financial statements.

Delaware College Portfolio Financial Statements

Statement of Assets and Liabilities

December 31, 2005

Assets	
Investments in securities at value (cost \$9,872,203)	\$ 9,915,810
Receivable for units sold	12,043
Dividends receivable	34,221
Total assets	<u>9,962,074</u>
Liabilities	
Accrued management and administration fees	\$ 2,612
Payable for units redeemed	9,429
Total liabilities	<u>12,041</u>
Net assets	<u>\$ 9,950,033</u>
Net Asset Value , offering price and redemption price per unit (\$9,950,033 / 720,331 units) .	<u>\$ 13.81</u>

Statement of Operations

Year ended December 31, 2005

Investment Income	
Income distributions from underlying funds	\$ 315,463
Expenses	
Management and administration fees \$	32,300
Total expenses	<u>32,300</u>
Net investment income (loss)	<u>283,163</u>
Realized and Unrealized Gain (Loss) on Investments	
Net realized gain (loss) on sale of underlying fund shares	60,021
Capital gain distributions from underlying funds	53,528
Change in net unrealized appreciation (depreciation) on underlying fund shares	(61,807)
Net gain (loss)	<u>51,742</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 334,905</u>

See accompanying notes which are an integral part of the financial statements.

Statement of Changes in Net Assets

	Year ended December 31, 2005	Year ended December 31, 2004
Increase (Decrease) in Net Assets:		
Operations		
Net investment income (loss)	\$ 283,163	\$ 66,994
Net realized gain (loss)	113,549	58,755
Change in net unrealized appreciation (depreciation)	(61,807)	(3,039)
Net increase (decrease) in net assets resulting from operations	<u>334,905</u>	<u>122,710</u>
Unit transactions		
Proceeds from sales of units	2,219,480	9,078,261
Cost of units redeemed and fees	(3,882,105)	(1,246,191)
Net increase (decrease) in net assets resulting from unit transactions	<u>(1,662,625)</u>	<u>7,832,070</u>
Total increase (decrease) in net assets	<u>(1,327,720)</u>	<u>7,954,780</u>
Net Assets		
Beginning of period	11,277,753	3,322,973
End of period	<u>\$ 9,950,033</u>	<u>\$ 11,277,753</u>
Other Information		
Unit transactions		
Sold	164,426	679,996
Redeemed	(285,952)	(95,181)
Net increase (decrease)	<u>(121,526)</u>	<u>584,815</u>

Financial Highlights

Years ended December 31,	2005	2004	2003	2002	2001
Selected Per-Unit Data					
Net asset value, beginning of period	\$ 13.40	\$ 12.93	\$ 11.99	\$ 11.86	\$ 11.54
Income from Investment Operations					
Net investment income (loss) ^A .....	.36	.22	.24	.33	.44
Net realized and unrealized gain (loss) .....	.05	.25	.70	(.20)	(.12)
Total increase (decrease) from investment operations .....	.41	.47	.94	.13	.32
Net asset value, end of period	<u>\$ 13.81</u>	<u>\$ 13.40</u>	<u>\$ 12.93</u>	<u>\$ 11.99</u>	<u>\$ 11.86</u>
Total Return	3.06%	3.63%	7.84%	1.10%	2.77%
Ratios and Supplemental Data					
(amounts do not include the activity of the underlying funds)					
Net assets, end of period (in \$ thousands)	\$ 9,950	\$ 11,278	\$ 3,323	\$ 2,727	\$ 248
Ratio of expenses to average net assets .....	.30%	.30%	.30%	.30%	.30%
Ratio of net investment income (loss) to average net assets	2.63%	1.93%	1.91%	2.77%	3.75%
Portfolio Turnover Rate	16%	29% ^B	26%	40%	48%

^A Calculated based on average units outstanding during the period.

^B The turnover presented reflects the merger of the 2003 Portfolio into the College Portfolio in December 2004.

See accompanying notes which are an integral part of the financial statements.

Delaware Portfolio 2006 Investment Summary

Portfolio Holdings as of December 31, 2005

% of Portfolio's
investments

Domestic Equity Funds

Fidelity Blue Chip Growth Fund	3.3
Fidelity Disciplined Equity Fund	4.0
Fidelity Dividend Growth Fund	3.3
Fidelity Equity-Income Fund	4.6
Fidelity Fund	2.2
Fidelity Growth & Income Portfolio	1.8
Fidelity Growth Company Fund	3.1
Fidelity OTC Portfolio	2.2
Fidelity Small Cap Independence Fund	1.2
	<u>25.7</u>

International Equity Funds

Fidelity Diversified International Fund	0.9
Fidelity Overseas Fund	0.9
	<u>1.8</u>

Investment Grade Fixed-Income Funds

Fidelity Government Income Fund	15.6
Fidelity Intermediate Bond Fund	10.4
Fidelity Investment Grade Bond Fund	15.7
	<u>41.7</u>

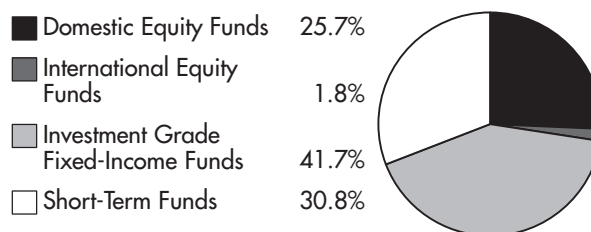
Short-Term Funds

Fidelity Cash Reserves Fund	15.4
Fidelity Short-Term Bond Fund	15.4
	<u>30.8</u>
	<u>100.0</u>

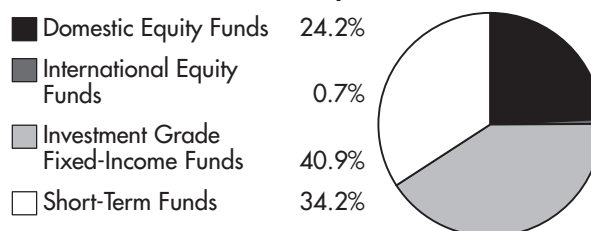
Asset Allocation (% of Portfolio's investments)

As of December 31, 2005

Current



Expected



The Portfolio invests according to an asset allocation strategy that becomes increasingly conservative over time. The current allocation is based on the Portfolio's holdings as of December 31, 2005. The expected allocation represents the Portfolio's anticipated allocation at June 30, 2006.

Delaware Portfolio 2006

Investments December 31, 2005

Showing Percentage of Total Value of Investment in Securities

Equity Funds — 27.5%

	Shares	Value (Note 1)
Domestic Equity Funds — 25.7%		
Fidelity Blue Chip Growth Fund	20,916	\$ 902,729
Fidelity Disciplined Equity Fund	38,992	1,080,455
Fidelity Dividend Growth Fund	30,662	882,745
Fidelity Equity-Income Fund	23,360	1,232,956
Fidelity Fund	18,947	602,904
Fidelity Growth & Income Portfolio	14,000	481,597
Fidelity Growth Company Fund	12,954	824,236
Fidelity OTC Portfolio	16,088	607,955
Fidelity Small Cap Independence Fund ..	15,713	321,801

TOTAL DOMESTIC EQUITY FUNDS **6,937,378**

International Equity Funds — 1.8%

Fidelity Diversified International Fund ..	7,398	240,725
Fidelity Overseas Fund	5,893	245,204

TOTAL INTERNATIONAL EQUITY FUNDS **485,929**

TOTAL EQUITY FUNDS

(Cost \$6,615,509) **7,423,307**

Fixed-Income Funds — 41.7%

Investment Grade Fixed-Income Funds — 41.7%

Fidelity Government Income Fund	417,219	4,222,260
Fidelity Intermediate Bond Fund	273,328	2,812,546
Fidelity Investment Grade Bond Fund ...	574,947	4,237,362

TOTAL FIXED-INCOME FUNDS

(Cost \$11,373,651) **11,272,168**

Short-Term Funds — 30.8%

Fidelity Cash Reserves Fund	4,165,115	4,165,115
Fidelity Short-Term Bond Fund	470,535	4,168,942

TOTAL SHORT-TERM FUNDS

(Cost \$8,370,057) **8,334,057**

TOTAL INVESTMENT IN SECURITIES — 100%

(Cost \$26,359,217) **\$ 27,029,532**

See accompanying notes which are an integral part of the financial statements.

Delaware Portfolio 2006 Financial Statements

Statement of Assets and Liabilities

December 31, 2005

Assets	
Investments in securities at value (cost \$26,359,217)	\$ 27,029,532
Receivable for units sold	49,638
Dividends receivable	84,432
Total assets	<u>27,163,602</u>
Liabilities	
Accrued management and administration fees	\$ 6,847
Payable for units redeemed	34,350
Total liabilities	<u>41,197</u>
Net Assets	<u>\$ 27,122,405</u>
Net Asset Value , offering price and redemption price per unit (\$27,122,405 / 1,973,448 units)	<u>\$ 13.74</u>

Statement of Operations

Year ended December 31, 2005

Investment Income	
Income distributions from underlying funds	\$ 722,604
Expenses	
Management and administration fees \$	77,230
Total expenses	<u>77,230</u>
Net investment income (loss)	<u>645,374</u>
Realized and Unrealized Gain (Loss) on Investments	
Net realized gain (loss) on sale of underlying fund shares	182,528
Capital gain distributions from underlying funds	167,067
Change in net unrealized appreciation (depreciation) on underlying fund shares	(49,785)
Net gain (loss)	<u>299,810</u>
Net increase (decrease) in net assets resulting from operations .	<u>\$ 945,184</u>

See accompanying notes which are an integral part of the financial statements.

Statement of Changes in Net Assets

	Year ended December 31, 2005	Year ended December 31, 2004
Increase (Decrease) in Net Assets:		
Operations		
Net investment income (loss)	\$ 645,374	\$ 423,282
Net realized gain (loss)	349,595	346,334
Change in net unrealized appreciation (depreciation)	(49,785)	240,084
Net increase (decrease) in net assets resulting from operations	<u>945,184</u>	<u>1,009,700</u>
Unit transactions		
Proceeds from sales of units	4,545,359	4,653,192
Cost of units redeemed and fees	(2,887,262)	(927,232)
Net increase (decrease) in net assets resulting from unit transactions	<u>1,658,097</u>	<u>3,725,960</u>
Total increase (decrease) in net assets	<u>2,603,281</u>	<u>4,735,660</u>
Net Assets		
Beginning of period	24,519,124	19,783,464
End of period	<u>\$ 27,122,405</u>	<u>\$ 24,519,124</u>
Other Information		
Unit transactions		
Sold	339,715	361,499
Redeemed	(215,096)	(72,129)
Net increase (decrease)	<u>124,619</u>	<u>289,370</u>

Financial Highlights

Years ended December 31,	2005	2004	2003	2002	2001
Selected Per-Unit Data					
Net asset value, beginning of period	\$ 13.26	\$ 12.69	\$ 11.07	\$ 11.95	\$ 12.45
Income from Investment Operations					
Net investment income (loss) ^A .....	.34	.25	.20	.24	.31
Net realized and unrealized gain (loss) .....	.14	.32	1.42	(1.12)	(.81)
Total increase (decrease) from investment operations .....	.48	.57	1.62	(.88)	(.50)
Net asset value, end of period	<u>\$ 13.74</u>	<u>\$ 13.26</u>	<u>\$ 12.69</u>	<u>\$ 11.07</u>	<u>\$ 11.95</u>
Total Return	3.62%	4.49%	14.63%	(7.36)%	(4.02)%
Ratios and Supplemental Data					
(amounts do not include the activity of the underlying funds)					
Net assets, end of period (in \$ thousands)	\$ 27,122	\$ 24,519	\$ 19,783	\$ 13,342	\$ 8,181
Ratio of expenses to average net assets .....	.30%	.30%	.30%	.30%	.30%
Ratio of net investment income (loss) to average net assets	2.51%	1.93%	1.71%	2.16%	2.60%
Portfolio Turnover Rate	15%	18%	14%	12%	33%

^A Calculated based on average units outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Delaware Portfolio 2009 Investment Summary

Portfolio Holdings as of December 31, 2005

% of Portfolio's
investments

Domestic Equity Funds

Fidelity Blue Chip Growth Fund	4.3
Fidelity Disciplined Equity Fund	5.1
Fidelity Dividend Growth Fund	4.1
Fidelity Equity-Income Fund	5.8
Fidelity Fund	3.0
Fidelity Growth & Income Portfolio	2.2
Fidelity Growth Company Fund	3.9
Fidelity OTC Portfolio	2.9
Fidelity Small Cap Independence Fund	1.5
	<u>32.8</u>

International Equity Funds

Fidelity Diversified International Fund	1.6
Fidelity Overseas Fund	1.6
	<u>3.2</u>

Investment Grade Fixed-Income Funds

Fidelity Government Income Fund	18.5
Fidelity Intermediate Bond Fund	12.3
Fidelity Investment Grade Bond Fund	18.5
	<u>49.3</u>

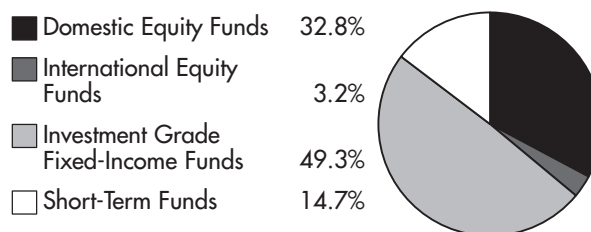
Short-Term Funds

Fidelity Cash Reserves Fund	7.3
Fidelity Short-Term Bond Fund	7.4
	<u>14.7</u>
	<u>100.0</u>

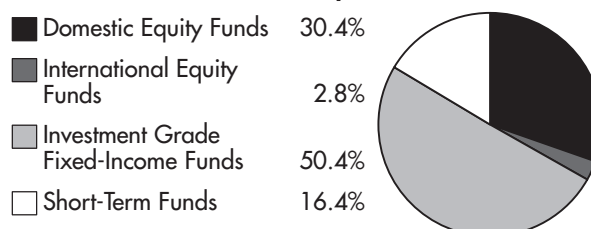
Asset Allocation (% of Portfolio's investments)

As of December 31, 2005

Current



Expected



The Portfolio invests according to an asset allocation strategy that becomes increasingly conservative over time. The current allocation is based on the Portfolio's holdings as of December 31, 2005. The expected allocation represents the Portfolio's anticipated allocation at June 30, 2006.

Investments December 31, 2005

Showing Percentage of Total Value of Investment in Securities

Equity Funds — 36.0%

	Shares	Value (Note 1)
Domestic Equity Funds — 32.8%		
Fidelity Blue Chip Growth Fund	36,681	\$ 1,583,156
Fidelity Disciplined Equity Fund	67,229	1,862,926
Fidelity Dividend Growth Fund	52,915	1,523,415
Fidelity Equity-Income Fund	40,348	2,129,582
Fidelity Fund	35,036	1,114,855
Fidelity Growth & Income Portfolio	23,213	798,514
Fidelity Growth Company Fund	22,332	1,421,017
Fidelity OTC Portfolio	27,835	1,051,897
Fidelity Small Cap Independence Fund ..	26,208	536,738

TOTAL DOMESTIC EQUITY FUNDS	12,022,100
--	-------------------

International Equity Funds — 3.2%

Fidelity Diversified International Fund ..	17,863	581,249
Fidelity Overseas Fund	14,202	590,949

TOTAL INTERNATIONAL EQUITY FUNDS	1,172,198
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TOTAL EQUITY FUNDS

(Cost \$11,579,895)	13,194,298
---------------------------	-------------------

Fixed-Income Funds — 49.3%**Investment Grade Fixed-Income Funds — 49.3%**

Fidelity Government Income Fund	667,529	6,755,397
Fidelity Intermediate Bond Fund	437,405	4,500,901
Fidelity Investment Grade Bond Fund ...	919,830	6,779,145

TOTAL FIXED-INCOME FUNDS

(Cost \$18,208,298)	18,035,443
---------------------------	-------------------

Short-Term Funds — 14.7%

Fidelity Cash Reserves Fund	2,693,406	2,693,406
Fidelity Short-Term Bond Fund	304,344	2,696,484

TOTAL SHORT-TERM FUNDS

(Cost \$5,412,065)	5,389,890
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TOTAL INVESTMENT IN SECURITIES — 100%

(Cost \$35,200,258)	\$ 36,619,631
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See accompanying notes which are an integral part of the financial statements.

Delaware Portfolio 2009 Financial Statements

Statement of Assets and Liabilities

December 31, 2005

Assets	
Investments in securities at value (cost \$35,200,258)	\$ 36,619,631
Receivable for units sold	119,342
Dividends receivable	108,688
Total assets	<u>36,847,661</u>
Liabilities	
Accrued management and administration fees	\$ 9,249
Payable for units redeemed	20
Total liabilities	<u>9,269</u>
Net Assets	<u>\$ 36,838,392</u>
Net Asset Value , offering price and redemption price per unit (\$36,838,392 / 2,680,705 units)	<u>\$ 13.74</u>

Statement of Operations

Year ended December 31, 2005

Investment Income	
Income distributions from underlying funds	\$ 782,816
Expenses	
Management and administration fees	\$ 99,191
Total expenses	<u>99,191</u>
Net investment income (loss)	<u>683,625</u>
Realized and Unrealized Gain (Loss) on Investments	
Net realized gain (loss) on sale of underlying fund shares	759,547
Capital gain distributions from underlying funds	261,383
Change in net unrealized appreciation (depreciation) on underlying fund shares	(191,326)
Net gain (loss)	<u>829,604</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 1,513,229</u>

See accompanying notes which are an integral part of the financial statements.

Statement of Changes in Net Assets

	Year ended December 31, 2005	Year ended December 31, 2004
Increase (Decrease) in Net Assets:		
Operations		
Net investment income (loss)	\$ 683,625	\$ 461,072
Net realized gain (loss)	1,020,930	475,420
Change in net unrealized appreciation (depreciation)	(191,326)	834,490
Net increase (decrease) in net assets resulting from operations	<u>1,513,229</u>	<u>1,770,982</u>
Unit transactions		
Proceeds from sales of units	6,641,691	6,518,920
Cost of units redeemed and fees	(1,462,267)	(1,446,149)
Net increase (decrease) in net assets resulting from unit transactions	<u>5,179,424</u>	<u>5,072,771</u>
Total increase (decrease) in net assets	<u>6,692,653</u>	<u>6,843,753</u>
Net Assets		
Beginning of period	30,145,739	23,301,986
End of period	<u>\$ 36,838,392</u>	<u>\$ 30,145,739</u>
Other Information		
Unit transactions		
Sold	500,518	518,541
Redeemed	(110,058)	(114,952)
Net increase (decrease)	<u>390,460</u>	<u>403,589</u>

Financial Highlights

Years ended December 31,	2005	2004	2003	2002	2001
Selected Per-Unit Data					
Net asset value, beginning of period	\$ 13.16	\$ 12.35	\$ 10.28	\$ 11.60	\$ 12.54
Income from Investment Operations					
Net investment income (loss) ^A .....	.27	.22	.19	.20	.25
Net realized and unrealized gain (loss) .....	.31	.59	1.88	(1.52)	(1.19)
Total increase (decrease) from investment operations .....	.58	.81	2.07	(1.32)	(.94)
Net asset value, end of period	<u>\$ 13.74</u>	<u>\$ 13.16</u>	<u>\$ 12.35</u>	<u>\$ 10.28</u>	<u>\$ 11.60</u>
Total Return	4.41%	6.56%	20.14%	(11.38)%	(7.50)%
Ratios and Supplemental Data					
(amounts do not include the activity of the underlying funds)					
Net assets, end of period (in \$ thousands)	\$ 36,838	\$ 30,146	\$ 23,302	\$ 14,788	\$ 9,366
Ratio of expenses to average net assets .....	.30%	.30%	.30%	.30%	.30%
Ratio of net investment income (loss) to average net assets	2.07%	1.75%	1.67%	1.88%	2.15%
Portfolio Turnover Rate	20%	16%	8%	15%	26%

^A Calculated based on average units outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Delaware Portfolio 2012 Investment Summary

Portfolio Holdings as of December 31, 2005

% of Portfolio's
investments

Domestic Equity Funds

Fidelity Blue Chip Growth Fund	6.1
Fidelity Disciplined Equity Fund	7.1
Fidelity Dividend Growth Fund	5.8
Fidelity Equity-Income Fund	8.1
Fidelity Fund	4.3
Fidelity Growth & Income Portfolio	2.8
Fidelity Growth Company Fund	5.4
Fidelity OTC Portfolio	4.0
Fidelity Small Cap Independence Fund	1.9

45.5

International Equity Funds

Fidelity Diversified International Fund	2.6
Fidelity Overseas Fund	2.6

5.2

High Yield Fixed-Income Funds

Fidelity Capital & Income Fund	0.1
Fidelity High Income Fund	0.1

0.2

Investment Grade Fixed-Income Funds

Fidelity Government Income Fund	14.7
Fidelity Intermediate Bond Fund	9.8
Fidelity Investment Grade Bond Fund	14.8

39.3

Short-Term Funds

Fidelity Cash Reserves Fund	4.9
Fidelity Short-Term Bond Fund	4.9

9.8

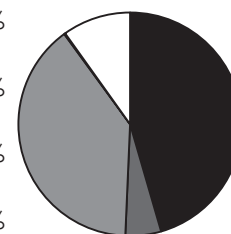
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Asset Allocation (% of Portfolio's investments)

As of December 31, 2005

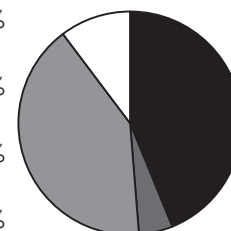
Current

Domestic Equity Funds	45.5%
International Equity Funds	5.2%
Investment Grade Fixed-Income Funds	39.3%
High Yield Fixed-Income Funds	0.2%
Short-Term Funds	9.8%



Expected

Domestic Equity Funds	43.8%
International Equity Funds	4.9%
Investment Grade Fixed-Income Funds	41.0%
High Yield Fixed-Income Funds	0.0%
Short-Term Funds	10.3%



The Portfolio invests according to an asset allocation strategy that becomes increasingly conservative over time. The current allocation is based on the Portfolio's holdings as of December 31, 2005. The expected allocation represents the Portfolio's anticipated allocation at June 30, 2006.

Delaware Portfolio 2012

Investments December 31, 2005

Showing Percentage of Total Value of Investment in Securities

Equity Funds — 50.7%

	Shares	Value (Note 1)
Domestic Equity Funds — 45.5%		
Fidelity Blue Chip Growth Fund	58,053	\$ 2,505,572
Fidelity Disciplined Equity Fund	106,210	2,943,066
Fidelity Dividend Growth Fund	83,864	2,414,435
Fidelity Equity-Income Fund	63,654	3,359,669
Fidelity Fund	55,229	1,757,399
Fidelity Growth & Income Portfolio	33,361	1,147,622
Fidelity Growth Company Fund	35,303	2,246,355
Fidelity OTC Portfolio	44,041	1,664,294
Fidelity Small Cap Independence Fund	37,573	769,485

TOTAL DOMESTIC EQUITY FUNDS **18,807,897**

International Equity Funds — 5.2%

Fidelity Diversified International Fund	33,090	1,076,759
Fidelity Overseas Fund	26,274	1,093,270

TOTAL INTERNATIONAL EQUITY FUNDS **2,170,029**

TOTAL EQUITY FUNDS

(Cost \$18,518,928) **20,977,926**

Fixed-Income Funds — 39.5%

High Yield Fixed-Income Funds — 0.2%

Fidelity Capital & Income Fund	4,410	36,909
Fidelity High Income Fund	4,189	36,775

TOTAL HIGH YIELD FIXED-INCOME FUNDS **73,684**

Investment Grade Fixed-Income Funds — 39.3%

Fidelity Government Income Fund	601,348	6,085,639
Fidelity Intermediate Bond Fund	393,477	4,048,880
Fidelity Investment Grade Bond Fund	828,051	6,102,739

TOTAL INVESTMENT GRADE FIXED-INCOME FUNDS **16,237,258**

TOTAL FIXED-INCOME FUNDS

(Cost \$16,458,826) **16,310,942**

Short-Term Funds — 9.8%

Fidelity Cash Reserves Fund	2,020,734	2,020,734
Fidelity Short-Term Bond Fund	228,485	2,024,378

TOTAL SHORT-TERM FUNDS

(Cost \$4,065,069) **4,045,112**

TOTAL INVESTMENT IN SECURITIES — 100%

(Cost \$39,042,823) **\$ 41,333,980**

See accompanying notes which are an integral part of the financial statements.

Delaware Portfolio 2012 Financial Statements

Statement of Assets and Liabilities

December 31, 2005

Assets	
Investments in securities at value (cost \$39,042,823)	\$ 41,333,980
Receivable for units sold	66,377
Dividends receivable	96,024
Total assets	<u>41,496,381</u>
Liabilities	
Accrued management and administration fees	\$ 10,467
Payable for units redeemed	81,381
Total liabilities	<u>91,848</u>
Net Assets	<u>\$ 41,404,533</u>
Net Asset Value , offering price and redemption price per unit (\$41,404,533 / 3,039,137 units)	<u>\$ 13.62</u>

Statement of Operations

Year ended December 31, 2005

Investment Income	
Income distributions from underlying funds	\$ 798,464
Expenses	
Management and administration fees	\$ 111,982
Total expenses	<u>111,982</u>
Net investment income (loss)	<u>686,482</u>
Realized and Unrealized Gain (Loss) on Investments	
Net realized gain (loss) on sale of underlying fund shares	721,199
Capital gain distributions from underlying funds	364,361
Change in net unrealized appreciation (depreciation) on underlying fund shares	273,268
Net gain (loss)	<u>1,358,828</u>
Net increase (decrease) in net assets resulting from operations .	<u>\$ 2,045,310</u>

See accompanying notes which are an integral part of the financial statements.

Statement of Changes in Net Assets

	Year ended December 31, 2005	Year ended December 31, 2004
Increase (Decrease) in Net Assets:		
Operations		
Net investment income (loss)	\$ 686,482	\$ 511,259
Net realized gain (loss)	1,085,560	387,880
Change in net unrealized appreciation (depreciation)	273,268	1,373,318
Net increase (decrease) in net assets resulting from operations	<u>2,045,310</u>	<u>2,272,457</u>
Unit transactions		
Proceeds from sales of units	6,775,551	7,420,934
Cost of units redeemed and fees	(1,344,590)	(1,218,792)
Net increase (decrease) in net assets resulting from unit transactions	<u>5,430,961</u>	<u>6,202,142</u>
Total increase (decrease) in net assets	<u>7,476,271</u>	<u>8,474,599</u>
Net Assets		
Beginning of period	33,928,262	25,453,663
End of period	<u>\$ 41,404,533</u>	<u>\$ 33,928,262</u>
Other Information		
Unit transactions		
Sold	520,161	604,037
Redeemed	(102,601)	(99,784)
Net increase (decrease)	<u>417,560</u>	<u>504,253</u>

Financial Highlights

Years ended December 31,	2005	2004	2003	2002	2001
Selected Per-Unit Data					
Net asset value, beginning of period	\$ 12.94	\$ 12.02	\$ 9.72	\$ 11.34	\$ 12.63
Income from Investment Operations					
Net investment income (loss) ^A .....	.24	.22	.17	.17	.20
Net realized and unrealized gain (loss) .....	.44	.70	2.13	(1.79)	(1.49)
Total increase (decrease) from investment operations .....	.68	.92	2.30	(1.62)	(1.29)
Net asset value, end of period	<u>\$ 13.62</u>	<u>\$ 12.94</u>	<u>\$ 12.02</u>	<u>\$ 9.72</u>	<u>\$ 11.34</u>
Total Return	5.26%	7.65%	23.66%	(14.29)%	(10.21)%
Ratios and Supplemental Data					
(amounts do not include the activity of the underlying funds)					
Net assets, end of period (in \$ thousands)	\$ 41,405	\$ 33,928	\$ 25,454	\$ 15,898	\$ 10,821
Ratio of expenses to average net assets .....	.30%	.30%	.30%	.30%	.30%
Ratio of net investment income (loss) to average net assets	1.84%	1.76%	1.63%	1.64%	1.76%
Portfolio Turnover Rate	21%	14%	7%	15%	15%

^A Calculated based on average units outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Delaware Portfolio 2015 Investment Summary

Portfolio Holdings as of December 31, 2005

% of Portfolio's
investments

Domestic Equity Funds

Fidelity Blue Chip Growth Fund	7.4
Fidelity Disciplined Equity Fund	8.7
Fidelity Dividend Growth Fund	7.1
Fidelity Equity-Income Fund	9.9
Fidelity Fund	5.1
Fidelity Growth & Income Portfolio	3.4
Fidelity Growth Company Fund	6.7
Fidelity OTC Portfolio	4.9
Fidelity Small Cap Independence Fund	2.3

55.5

International Equity Funds

Fidelity Diversified International Fund	3.6
Fidelity Overseas Fund	3.7

7.3

High Yield Fixed-Income Funds

Fidelity Capital & Income Fund	2.5
Fidelity High Income Fund	2.4

4.9

Investment Grade Fixed-Income Funds

Fidelity Government Income Fund	10.3
Fidelity Intermediate Bond Fund	6.9
Fidelity Investment Grade Bond Fund	10.4

27.6

Short-Term Funds

Fidelity Cash Reserves Fund	2.3
Fidelity Short-Term Bond Fund	2.4

4.7

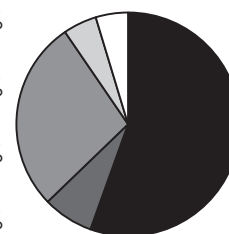
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Asset Allocation (% of Portfolio's investments)

As of December 31, 2005

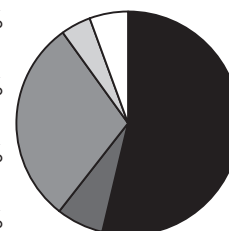
Current

Domestic Equity Funds	55.5%
International Equity Funds	7.3%
Investment Grade Fixed-Income Funds	27.6%
High Yield Fixed-Income Funds	4.9%
Short Term Funds	4.7%



Expected

Domestic Equity Funds	53.7%
International Equity Funds	6.8%
Investment Grade Fixed-Income Funds	29.5%
High Yield Fixed-Income Funds	4.4%
Short Term Funds	5.6%



The Portfolio invests according to an asset allocation strategy that becomes increasingly conservative over time. The current allocation is based on the Portfolio's holdings as of December 31, 2005. The expected allocation represents the Portfolio's anticipated allocation at June 30, 2006.

Delaware Portfolio 2015

Investments December 31, 2005

Showing Percentage of Total Value of Investment in Securities

Equity Funds — 62.8%

	Shares	Value (Note 1)
Domestic Equity Funds — 55.5%		
Fidelity Blue Chip Growth Fund	74,854	\$ 3,230,701
Fidelity Disciplined Equity Fund	137,913	3,821,577
Fidelity Dividend Growth Fund	108,720	3,130,036
Fidelity Equity-Income Fund	82,426	4,350,441
Fidelity Fund	69,782	2,220,475
Fidelity Growth & Income Portfolio	42,996	1,479,059
Fidelity Growth Company Fund	45,828	2,916,039
Fidelity OTC Portfolio	57,126	2,158,787
Fidelity Small Cap Independence Fund	48,519	993,663

TOTAL DOMESTIC EQUITY FUNDS **24,300,778**

International Equity Funds — 7.3%

Fidelity Diversified International Fund	49,011	1,594,822
Fidelity Overseas Fund	38,812	1,614,973

TOTAL INTERNATIONAL EQUITY FUNDS **3,209,795**

TOTAL EQUITY FUNDS

(Cost \$24,332,188) **27,510,573**

Fixed-Income Funds — 32.5%

High Yield Fixed-Income Funds — 4.9%

Fidelity Capital & Income Fund	128,807	1,078,113
Fidelity High Income Fund	122,353	1,074,262

TOTAL HIGH YIELD FIXED-INCOME FUNDS **2,152,375**

Investment Grade Fixed-Income Funds — 27.6%

Fidelity Government Income Fund	447,579	4,529,501
Fidelity Intermediate Bond Fund	292,822	3,013,134
Fidelity Investment Grade Bond Fund	616,442	4,543,181

TOTAL INVESTMENT GRADE FIXED-INCOME FUNDS **12,085,816**

TOTAL FIXED-INCOME FUNDS

(Cost \$14,291,417) **14,238,191**

Short-Term Funds — 4.7%

Fidelity Cash Reserves Fund	1,038,311	1,038,311
Fidelity Short-Term Bond Fund	117,248	1,038,820

TOTAL SHORT-TERM FUNDS

(Cost \$2,078,218) **2,077,131**

TOTAL INVESTMENT IN SECURITIES — 100%

(Cost \$40,701,823) **\$ 43,825,895**

See accompanying notes which are an integral part of the financial statements.

Delaware Portfolio 2015 Financial Statements

Statement of Assets and Liabilities

December 31, 2005

Assets	
Investments in securities at value (cost \$40,701,823)	\$ 43,825,895
Receivable for units sold	86,119
Dividends receivable	87,345
Total assets	<u>43,999,359</u>
Liabilities	
Accrued management and administration fees	\$ 11,131
Payable for units redeemed	82,364
Total liabilities	<u>93,495</u>
Net Assets	<u>\$ 43,905,864</u>
Net Asset Value , offering price and redemption price per unit (\$43,905,864 / 3,307,260 units)	<u>\$ 13.28</u>

Statement of Operations

Year ended December 31, 2005

Investment Income	
Income distributions from underlying funds	\$ 739,925
Expenses	
Management and administration fees	\$ 117,673
Total expenses	<u>117,673</u>
Net investment income (loss)	<u>622,252</u>
Realized and Unrealized Gain (Loss) on Investments	
Net realized gain (loss) on sale of underlying fund shares	653,310
Capital gain distributions from underlying funds	457,293
Change in net unrealized appreciation (depreciation) on underlying fund shares	770,664
Net gain (loss)	<u>1,881,267</u>
Net increase (decrease) in net assets resulting from operations ..	<u>\$ 2,503,519</u>

See accompanying notes which are an integral part of the financial statements.

Statement of Changes in Net Assets

	Year ended December 31, 2005	Year ended December 31, 2004
Increase (Decrease) in Net Assets:		
Operations		
Net investment income (loss)	\$ 622,252	\$ 488,650
Net realized gain (loss)	1,110,603	428,235
Change in net unrealized appreciation (depreciation)	770,664	1,808,441
Net increase (decrease) in net assets resulting from operations	<u>2,503,519</u>	<u>2,725,326</u>
Unit transactions		
Proceeds from sales of units	7,414,405	7,682,237
Cost of units redeemed and fees	(1,551,649)	(1,365,208)
Net increase (decrease) in net assets resulting from unit transactions	<u>5,862,756</u>	<u>6,317,029</u>
Total increase (decrease) in net assets	<u>8,366,275</u>	<u>9,042,355</u>
Net Assets		
Beginning of period	35,539,589	26,497,234
End of period	<u>\$ 43,905,864</u>	<u>\$ 35,539,589</u>
Other Information		
Unit transactions		
Sold	588,549	654,173
Redeemed	(121,821)	(115,667)
Net increase (decrease)	<u>466,728</u>	<u>538,506</u>

Financial Highlights

Years ended December 31,	2005	2004	2003	2002	2001
Selected Per-Unit Data					
Net asset value, beginning of period	\$ 12.51	\$ 11.51	\$ 8.86	\$ 10.91	\$ 12.57
Income from Investment Operations					
Net investment income (loss) ^A .....	.20	.19	.15	.11	.14
Net realized and unrealized gain (loss) .....	.57	.81	2.50	(2.16)	(1.80)
Total increase (decrease) from investment operations .....	.77	1.00	2.65	(2.05)	(1.66)
Net asset value, end of period	<u>\$ 13.28</u>	<u>\$ 12.51</u>	<u>\$ 11.51</u>	<u>\$ 8.86</u>	<u>\$ 10.91</u>
Total Return	6.16%	8.69%	29.91%	(18.79)%	(13.21)%
Ratios and Supplemental Data					
(amounts do not include the activity of the underlying funds)					
Net assets, end of period (in \$ thousands)	\$ 43,906	\$ 35,540	\$ 26,497	\$ 15,507	\$ 11,079
Ratio of expenses to average net assets .....	.30%	.30%	.30%	.30%	.30%
Ratio of net investment income (loss) to average net assets	1.59%	1.61%	1.46%	1.20%	1.25%
Portfolio Turnover Rate	18%	19%	6%	7%	11%

^A Calculated based on average units outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Delaware Portfolio 2018 Investment Summary

Portfolio Holdings as of December 31, 2005

% of Portfolio's
investments

Domestic Equity Funds

Fidelity Blue Chip Growth Fund	8.8
Fidelity Disciplined Equity Fund	10.3
Fidelity Dividend Growth Fund	8.4
Fidelity Equity-Income Fund	11.7
Fidelity Fund	6.2
Fidelity Growth & Income Portfolio	3.9
Fidelity Growth Company Fund	7.8
Fidelity OTC Portfolio	5.8
Fidelity Small Cap Independence Fund	2.6
	<u>65.5</u>

International Equity Funds

Fidelity Diversified International Fund	4.1
Fidelity Overseas Fund	4.2
	<u>8.3</u>

High Yield Fixed-Income Funds

Fidelity Capital & Income Fund	3.5
Fidelity High Income Fund	3.5
	<u>7.0</u>

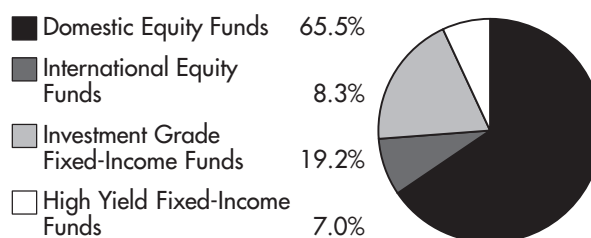
Investment Grade Fixed-Income Funds

Fidelity Government Income Fund	7.2
Fidelity Intermediate Bond Fund	4.8
Fidelity Investment Grade Bond Fund	7.2
	<u>19.2</u>
	<u>100.0</u>

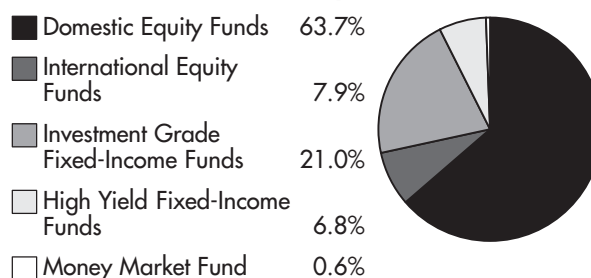
Asset Allocation (% of Portfolio's investments)

As of December 31, 2005

Current



Expected



The Portfolio invests according to an asset allocation strategy that becomes increasingly conservative over time. The current allocation is based on the Portfolio's holdings as of December 31, 2005. The expected allocation represents the Portfolio's anticipated allocation at June 30, 2006.

Delaware Portfolio 2018

Investments December 31, 2005

Showing Percentage of Total Value of Investment in Securities

Equity Funds — 73.8%

	Shares	Value (Note 1)
Domestic Equity Funds — 65.5%		
Fidelity Blue Chip Growth Fund	98,918	\$ 4,269,290
Fidelity Disciplined Equity Fund	180,985	5,015,083
Fidelity Dividend Growth Fund	142,886	4,113,686
Fidelity Equity-Income Fund	108,387	5,720,690
Fidelity Fund	95,309	3,032,737
Fidelity Growth & Income Portfolio	55,662	1,914,759
Fidelity Growth Company Fund	60,055	3,821,275
Fidelity OTC Portfolio	74,915	2,831,054
Fidelity Small Cap Independence Fund	62,783	1,285,791

TOTAL DOMESTIC EQUITY FUNDS **32,004,365**

International Equity Funds — 8.3%

Fidelity Diversified International Fund	62,020	2,018,124
Fidelity Overseas Fund	49,071	2,041,838

TOTAL INTERNATIONAL EQUITY FUNDS **4,059,962**

TOTAL EQUITY FUNDS

(Cost \$31,126,230) **36,064,327**

Fixed-Income Funds — 26.2%

High Yield Fixed-Income Funds — 7.0%

Fidelity Capital & Income Fund	204,113	1,708,425
Fidelity High Income Fund	193,884	1,702,299

TOTAL HIGH YIELD FIXED-INCOME FUNDS **3,410,724**

Investment Grade Fixed-Income Funds — 19.2%

Fidelity Government Income Fund	348,198	3,523,768
Fidelity Intermediate Bond Fund	227,341	2,339,342
Fidelity Investment Grade Bond Fund	479,406	3,533,222

TOTAL INVESTMENT GRADE FIXED-INCOME FUNDS **9,396,332**

TOTAL FIXED-INCOME FUNDS

(Cost \$12,697,120) **12,807,056**

TOTAL INVESTMENT IN SECURITIES — 100%

(Cost \$43,823,350) **\$ 48,871,383**

See accompanying notes which are an integral part of the financial statements.

Delaware Portfolio 2018 Financial Statements

Statement of Assets and Liabilities

December 31, 2005

Assets	
Investments in securities at value (cost \$43,823,350)	\$ 48,871,383
Receivable for units sold	137,470
Dividends receivable	78,174
Total assets	<u>49,087,027</u>
Liabilities	
Accrued management and administration fees	\$ 12,396
Payable for units redeemed	162
Total liabilities	<u>12,558</u>
Net Assets	<u>\$ 49,074,469</u>
Net Asset Value , offering price and redemption price per unit (\$49,074,469 / 3,774,603 units) ...	<u>\$ 13.00</u>

Statement of Operations

Year ended December 31, 2005

Investment Income	
Income distributions from underlying funds	\$ 779,743
Expenses	
Management and administration fees ..	\$ 130,234
Total expenses	<u>130,234</u>
Net investment income (loss)	<u>649,509</u>
Realized and Unrealized Gain (Loss) on Investments	
Net realized gain (loss) on sale of underlying fund shares	621,588
Capital gain distributions from underlying funds	569,207
Change in net unrealized appreciation (depreciation) on underlying fund shares	1,246,091
Net gain (loss)	<u>2,436,886</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 3,086,395</u>

See accompanying notes which are an integral part of the financial statements.

Statement of Changes in Net Assets

	Year ended December 31, 2005	Year ended December 31, 2004
Increase (Decrease) in Net Assets:		
Operations		
Net investment income (loss)	\$ 649,509	\$ 511,619
Net realized gain (loss)	1,190,795	621,545
Change in net unrealized appreciation (depreciation)	1,246,091	1,977,311
Net increase (decrease) in net assets resulting from operations	<u>3,086,395</u>	<u>3,110,475</u>
Unit transactions		
Proceeds from sales of units	8,748,211	8,770,823
Cost of units redeemed and fees	(2,046,531)	(1,377,842)
Net increase (decrease) in net assets resulting from unit transactions	<u>6,701,680</u>	<u>7,392,981</u>
Total increase (decrease) in net assets	<u>9,788,075</u>	<u>10,503,456</u>
Net Assets		
Beginning of period	39,286,394	28,782,938
End of period	<u>\$ 49,074,469</u>	<u>\$ 39,286,394</u>
Other Information		
Unit transactions		
Sold	712,518	770,703
Redeemed	(165,765)	(122,014)
Net increase (decrease)	<u>546,753</u>	<u>648,689</u>

Financial Highlights

Years ended December 31,	2005	2004	2003	2002	2001
Selected Per-Unit Data					
Net asset value, beginning of period	\$ 12.17	\$ 11.16	\$ 8.57	\$ 10.56	\$ 12.33
Income from Investment Operations					
Net investment income (loss) ^A .....	.18	.18	.14	.11	.13
Net realized and unrealized gain (loss) .....	.65	.83	2.45	(2.10)	(1.90)
Total increase (decrease) from investment operations .....	.83	1.01	2.59	(1.99)	(1.77)
Net asset value, end of period	<u>\$ 13.00</u>	<u>\$ 12.17</u>	<u>\$ 11.16</u>	<u>\$ 8.57</u>	<u>\$ 10.56</u>
Total Return	6.82%	9.05%	30.22%	(18.84)%	(14.36)%
Ratios and Supplemental Data					
(amounts do not include the activity of the underlying funds)					
Net assets, end of period (in \$ thousands)	\$ 49,074	\$ 39,286	\$ 28,783	\$ 15,575	\$ 8,804
Ratio of expenses to average net assets .....	.30%	.30%	.30%	.30%	.30%
Ratio of net investment income (loss) to average net assets ...	1.50%	1.54%	1.48%	1.20%	1.20%
Portfolio Turnover Rate	12%	16%	3%	11%	8%

^A Calculated based on average units outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Delaware Portfolio 2021 Investment Summary

Portfolio Holdings as of December 31, 2005

% of Portfolio's
investments

Domestic Equity Funds

Fidelity Blue Chip Growth Fund	9.7
Fidelity Disciplined Equity Fund	11.6
Fidelity Dividend Growth Fund	9.6
Fidelity Equity-Income Fund	13.4
Fidelity Fund	6.9
Fidelity Growth & Income Portfolio	5.2
Fidelity Growth Company Fund	8.8
Fidelity OTC Portfolio	6.5
Fidelity Small Cap Independence Fund	3.5
	<u>75.2</u>

International Equity Funds

Fidelity Diversified International Fund	5.1
Fidelity Overseas Fund	5.1
	<u>10.2</u>

High Yield Fixed-Income Funds

Fidelity Capital & Income Fund	4.9
Fidelity High Income Fund	4.8
	<u>9.7</u>

Investment Grade Fixed-Income Funds

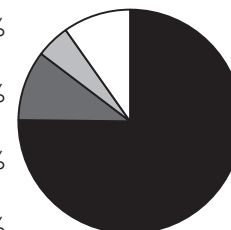
Fidelity Government Income Fund	1.8
Fidelity Intermediate Bond Fund	1.2
Fidelity Investment Grade Bond Fund	1.9
	<u>4.9</u>
	<u>100.0</u>

Asset Allocation (% of Portfolio's investments)

As of December 31, 2005

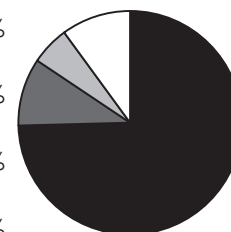
Current

Domestic Equity Funds	75.2%
International Equity Funds	10.2%
Investment Grade Fixed-Income Funds	4.9%
High Yield Fixed-Income Funds	9.7%



Expected

Domestic Equity Funds	74.6%
International Equity Funds	9.8%
Investment Grade Fixed-Income Funds	5.6%
High Yield Fixed-Income Funds	10.0%



The Portfolio invests according to an asset allocation strategy that becomes increasingly conservative over time. The current allocation is based on the Portfolio's holdings as of December 31, 2005. The expected allocation represents the Portfolio's anticipated allocation at June 30, 2006.

Delaware Portfolio 2021

Investments December 31, 2005

Showing Percentage of Total Value of Investment in Securities

Equity Funds — 85.4%

	Shares	Value (Note 1)
Domestic Equity Funds — 75.2%		
Fidelity Blue Chip Growth Fund	49,571	\$ 2,139,505
Fidelity Disciplined Equity Fund	91,937	2,547,586
Fidelity Dividend Growth Fund	73,211	2,107,743
Fidelity Equity-Income Fund	55,876	2,949,117
Fidelity Fund	47,626	1,515,470
Fidelity Growth & Income Portfolio	33,228	1,143,026
Fidelity Growth Company Fund	30,453	1,937,751
Fidelity OTC Portfolio	37,808	1,428,749
Fidelity Small Cap Independence Fund	37,424	766,451

TOTAL DOMESTIC EQUITY FUNDS **16,535,398**

International Equity Funds — 10.2%

Fidelity Diversified International Fund	34,535	1,123,778
Fidelity Overseas Fund	26,831	1,116,436

TOTAL INTERNATIONAL EQUITY FUNDS **2,240,214**

TOTAL EQUITY FUNDS

(Cost \$16,361,683) **18,775,612**

Fixed-Income Funds — 14.6%

High Yield Fixed-Income Funds — 9.7%

Fidelity Capital & Income Fund	127,983	1,071,221
Fidelity High Income Fund	121,487	1,066,659

TOTAL HIGH YIELD FIXED-INCOME FUNDS **2,137,880**

Investment Grade Fixed-Income Funds — 4.9%

Fidelity Government Income Fund	39,531	400,056
Fidelity Intermediate Bond Fund	25,861	266,115
Fidelity Investment Grade Bond Fund	54,501	401,673

TOTAL INVESTMENT GRADE FIXED-INCOME FUNDS **1,067,844**

TOTAL FIXED-INCOME FUNDS

(Cost \$3,143,690) **3,205,724**

TOTAL INVESTMENT IN SECURITIES — 100%

(Cost \$19,505,373) **\$ 21,981,336**

See accompanying notes which are an integral part of the financial statements.

Delaware Portfolio 2021 Financial Statements

Statement of Assets and Liabilities

December 31, 2005

Assets	
Investments in securities at value (cost \$19,505,373)	\$ 21,981,336
Receivable for units sold	125,502
Dividends receivable	24,543
Total assets	<u>22,131,381</u>
Liabilities	
Accrued management and administration fees	\$ 5,492
Payable for units redeemed	181
Total liabilities	<u>5,673</u>
Net Assets	<u>\$ 22,125,708</u>
Net Asset Value , offering price and redemption price per unit (\$22,125,708 / 1,759,392 units) ...	<u>\$ 12.58</u>

Statement of Operations

Year ended December 31, 2005

Investment Income	
Income distributions from underlying funds	\$ 281,770
Expenses	
Management and administration fees ..	\$ 52,828
Total expenses	<u>52,828</u>
Net investment income (loss)	<u>228,942</u>
Realized and Unrealized Gain (Loss) on Investments	
Net realized gain (loss) on sale of underlying fund shares	153,302
Capital gain distributions from underlying funds	284,439
Change in net unrealized appreciation (depreciation) on underlying fund shares	819,662
Net gain (loss)	<u>1,257,403</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 1,486,345</u>

See accompanying notes which are an integral part of the financial statements.

Statement of Changes in Net Assets

	Year ended December 31, 2005	Year ended December 31, 2004
Increase (Decrease) in Net Assets:		
Operations		
Net investment income (loss)	\$ 228,942	\$ 158,700
Net realized gain (loss)	437,741	96,549
Change in net unrealized appreciation (depreciation)	819,662	804,720
Net increase (decrease) in net assets resulting from operations	<u>1,486,345</u>	<u>1,059,969</u>
Unit transactions		
Proceeds from sales of units	8,044,706	6,755,553
Cost of units redeemed and fees	(989,199)	(332,839)
Net increase (decrease) in net assets resulting from unit transactions	<u>7,055,507</u>	<u>6,422,714</u>
Total increase (decrease) in net assets	<u>8,541,852</u>	<u>7,482,683</u>
Net Assets		
Beginning of period	13,583,856	6,101,173
End of period	<u>\$ 22,125,708</u>	<u>\$ 13,583,856</u>
Other Information		
Unit transactions		
Sold	680,421	620,602
Redeemed	(82,799)	(30,877)
Net increase (decrease)	<u>597,622</u>	<u>589,725</u>

Financial Highlights

Periods ended December 31,	2005	2004	2003	2002	2001 ^A
Selected Per-Unit Data					
Net asset value, beginning of period	\$ 11.69	\$ 10.67	\$ 8.16	\$ 10.17	\$ 10.00
Income from Investment Operations					
Net investment income (loss) ^C .....	.15	.19	.15	.13	—
Net realized and unrealized gain (loss) .....	.74	.83	2.36	(2.14)	.17
Total increase (decrease) from investment operations .....	.89	1.02	2.51	(2.01)	.17
Net asset value, end of period	<u>\$ 12.58</u>	<u>\$ 11.69</u>	<u>\$ 10.67</u>	<u>\$ 8.16</u>	<u>\$ 10.17</u>
Total Return^B	7.61%	9.56%	30.76%	(19.76)%	1.70%
Ratios and Supplemental Data					
(amounts do not include the activity of the underlying funds)					
Net assets, end of period (in \$ thousands)	\$ 22,126	\$ 13,584	\$ 6,101	\$ 1,583	\$ 11
Ratio of expenses to average net assets .....	.30%	.30%	.30%	.30%	— ^D
Ratio of net investment income (loss) to average net assets ...	1.30%	1.71%	1.65%	1.60%	—
Portfolio Turnover Rate	8%	3%	11%	5%	—

^A For the period December 13, 2001 (commencement of operations) to December 31, 2001.

^B Total returns for periods of less than one year are not annualized.

^C Calculated based on average units outstanding during the period.

^D Due to the number of days of operations, the expenses rounded to less than \$1.00 on the Statement of Operations. The annualized operating expense ratio is 0.30%.

See accompanying notes which are an integral part of the financial statements.

Delaware Portfolio 2024 Investment Summary

Portfolio Holdings as of December 31, 2005

% of Portfolio's
investments

Domestic Equity Funds

Fidelity Blue Chip Growth Fund	10.0
Fidelity Disciplined Equity Fund	11.5
Fidelity Dividend Growth Fund	10.1
Fidelity Equity-Income Fund	14.9
Fidelity Fund	4.4
Fidelity Growth & Income Portfolio	7.5
Fidelity Growth Company Fund	8.7
Fidelity OTC Portfolio	6.4
Fidelity Small Cap Independence Fund	4.9

78.4

International Equity Funds

Fidelity Diversified International Fund	5.2
Fidelity Overseas Fund	4.8

10.0

High Yield Fixed-Income Funds

Fidelity Capital & Income Fund	5.8
Fidelity High Income Fund	5.8

11.6

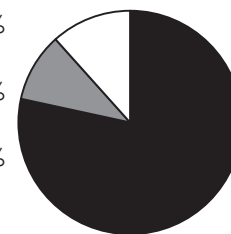
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Asset Allocation (% of Portfolio's investments)

As of December 31, 2005

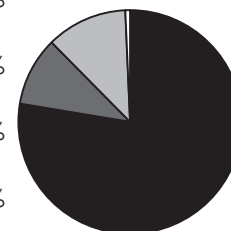
Current

Domestic Equity Funds	78.4%
International Equity Funds	10.0%
High Yield Fixed-Income Funds	11.6%



Expected

Domestic Equity Funds	77.6%
International Equity Funds	10.0%
High Yield Fixed-Income Funds	11.7%
Investment Grade Fixed-Income Funds	0.7%



The Portfolio invests according to an asset allocation strategy that becomes increasingly conservative over time. The current allocation is based on the Portfolio's holdings as of December 31, 2005. The expected allocation represents the Portfolio's anticipated allocation at June 30, 2006.

Investments December 31, 2005

Showing Percentage of Total Value of Investment in Securities

Equity Funds — 88.4%

	Shares	Value (Note 1)
Domestic Equity Funds — 78.4%		
Fidelity Blue Chip Growth Fund	2,715	\$ 117,166
Fidelity Disciplined Equity Fund	4,858	134,605
Fidelity Dividend Growth Fund	4,090	117,742
Fidelity Equity-Income Fund	3,289	173,591
Fidelity Fund	1,611	51,271
Fidelity Growth & Income Portfolio	2,527	86,915
Fidelity Growth Company Fund	1,596	101,569
Fidelity OTC Portfolio	1,989	75,159
Fidelity Small Cap Independence Fund	2,808	57,511

TOTAL DOMESTIC EQUITY FUNDS	915,529
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International Equity Funds — 10.0%

Fidelity Diversified International Fund	1,860	60,513
Fidelity Overseas Fund	1,336	55,574

TOTAL INTERNATIONAL EQUITY FUNDS	116,087
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TOTAL EQUITY FUNDS

(Cost \$993,832)	1,031,616
----------------------------	------------------

Fixed-Income Funds — 11.6%**High Yield Fixed-Income Funds — 11.6%**

Fidelity Capital & Income Fund	8,113	67,902
Fidelity High Income Fund	7,736	67,918

TOTAL FIXED-INCOME FUNDS

(Cost \$136,108)	135,820
----------------------------	----------------

TOTAL INVESTMENT IN SECURITIES — 100%

(Cost \$1,129,940)	\$ 1,167,436
------------------------------	---------------------

See accompanying notes which are an integral part of the financial statements.

Delaware Portfolio 2024 Financial Statements

Statement of Assets and Liabilities

December 31, 2005

Assets	
Investments in securities at value (cost \$1,129,940)	\$ 1,167,436
Receivable for units sold	19,952
Dividends receivable	1,170
Total assets	<u>1,188,558</u>
Liabilities	
Accrued management and administration fees	\$ 265
Total liabilities	<u>265</u>
Net Assets	<u>\$ 1,188,293</u>
Net Asset Value , offering price and redemption price per unit (\$1,188,293 / 109,831 units) .	<u>\$ 10.82</u>

Statement of Operations

Year ended December 31, 2005

Investment Income	
Income distributions from underlying funds	\$ 9,410
Expenses	
Management and administration fees	\$ 1,440
Total expenses	<u>1,440</u>
Net investment income (loss)	<u>7,970</u>
Realized and Unrealized Gain (Loss) on Investments	
Net realized gain (loss) on sale of underlying fund shares	4,884
Capital gain distributions from underlying funds	14,669
Change in net unrealized appreciation (depreciation) on underlying fund shares	37,491
Net gain (loss)	<u>57,044</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 65,014</u>

See accompanying notes which are an integral part of the financial statements.

Statement of Changes in Net Assets

	Year ended December 31, 2005	For the period December 27, 2004 (commencement of operations) to December 31, 2004
Increase (Decrease) in Net Assets:		
Operations		
Net investment income (loss)	\$ 7,970	\$ 1
Net realized gain (loss)	19,553	—
Change in net unrealized appreciation (depreciation)	37,491	5
Net increase (decrease) in net assets resulting from operations	65,014	6
Unit transactions		
Proceeds from sales of units	1,215,714	1,000
Cost of units redeemed and fees	(93,441)	—
Net increase (decrease) in net assets resulting from unit transactions	1,122,273	1,000
Total increase (decrease) in net assets	1,187,287	1,006
Net Assets		
Beginning of period	1,006	—
End of period	<u>\$ 1,188,293</u>	<u>\$ 1,006</u>
Other Information		
Unit transactions		
Sold	118,721	100
Redeemed	(8,990)	—
Net increase (decrease)	109,731	100

Financial Highlights

Periods ended December 31, Selected Per-Unit Data	2005	2004 ^B
Net asset value, beginning of period	\$ 10.06	\$ 10.00
Income from Investment Operations		
Net investment income (loss) ^D . . . . .	.17	.01
Net realized and unrealized gain (loss) . . . . .	.59	.05
Total increase (decrease) from investment operations . . . . .	.76	.06
Net asset value, end of period	<u>\$ 10.82</u>	<u>\$ 10.06</u>
Total Return^C	7.55%	.60%
Ratios and Supplemental Data (amounts do not include the activity of the underlying funds)		
Net assets, end of period (in \$ thousands)	\$ 1,188	\$ 1
Ratio of expenses to average net assets . . . . .	.30%	— ^E
Ratio of net investment income (loss) to average net assets	1.65%	7.28% ^A
Portfolio Turnover Rate	23%	0% ^A

^A Annualized

^B For the period December 27, 2004 (commencement of operations) to December 31, 2004.

^C Total returns for periods of less than one year are not annualized.

^D Calculated based on average units outstanding during the period.

^E Due to the number of days in operations, the expenses rounded to less than \$1.00 on the Statement of Operations. The annualized operating expense is 0.30%.

See accompanying notes which are an integral part of the financial statements.

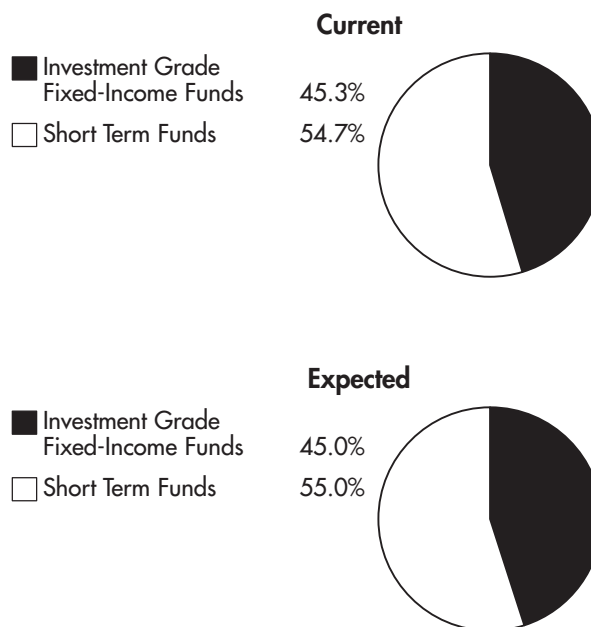
Delaware Conservative Portfolio Investment Summary

Portfolio Holdings as of December 31, 2005

	% of Portfolio's investments
Investment Grade Fixed-Income Funds	
Fidelity Government Income Fund	16.9
Fidelity Intermediate Bond Fund	11.4
Fidelity Investment Grade Bond Fund	17.0
	<u>45.3</u>
Short-Term Funds	
Fidelity Cash Reserves Fund	27.5
Fidelity Short-Term Bond Fund	27.2
	<u>54.7</u>
	<u>100.0</u>

Asset Allocation (% of Portfolio's investments)

As of December 31, 2005



The current allocation is based on the Portfolio's holdings as of December 31, 2005. The expected allocation represents the Portfolio's anticipated target asset allocation at June 30, 2006.

Delaware Conservative Portfolio

Investments December 31, 2005

Showing Percentage of Total Value of Investment in Securities

Fixed-Income Funds — 45.3%

	Shares	Value (Note 1)
Investment Grade Fixed-Income Funds — 45.3%		
Fidelity Government Income Fund	101,028	\$ 1,022,404
Fidelity Intermediate Bond Fund	66,549	684,788
Fidelity Investment Grade Bond Fund . . .	139,351	<u>1,027,018</u>
TOTAL FIXED-INCOME FUNDS		
(Cost \$2,784,483)		<u>2,734,210</u>

Short-Term Funds — 54.7%

Fidelity Cash Reserves Fund	1,660,512	1,660,512
Fidelity Short-Term Bond Fund	184,785	<u>1,637,198</u>
TOTAL SHORT-TERM FUNDS		
(Cost \$3,313,672)		<u>3,297,710</u>
TOTAL INVESTMENT IN SECURITIES — 100%		
(Cost \$6,098,155)		<u><u>\$ 6,031,920</u></u>

See accompanying notes which are an integral part of the financial statements.

Delaware Conservative Portfolio Financial Statements

Statement of Assets and Liabilities

December 31, 2005

Assets	
Investments in securities at value (cost \$6,098,155)	\$ 6,031,920
Receivable for units sold	9,422
Dividends receivable	24,772
Total assets	<u>6,066,114</u>
Liabilities	
Accrued management and administration fees	\$ 1,539
Payable for units redeemed	20
Total liabilities	<u>1,559</u>
Net Assets	<u>\$ 6,064,555</u>
Net Asset Value , offering price and redemption price per unit (\$6,064,555 / 528,476 units) .	<u>\$ 11.48</u>

Statement of Operations

Year ended December 31, 2005

Investment Income	
Income distributions from underlying funds	\$ 200,353
Expenses	
Management and administration fees	\$ 17,213
Total expenses	<u>17,213</u>
Net investment income (loss) ...	<u>183,140</u>
Realized and Unrealized Gain (Loss) on Investments	
Net realized gain (loss) on sale of underlying fund shares	(12,161)
Capital gain distributions from underlying funds	9,481
Change in net unrealized appreciation (depreciation) on underlying fund shares	(60,381)
Net gain (loss)	<u>(63,061)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 120,079</u>

See accompanying notes which are an integral part of the financial statements.

Statement of Changes in Net Assets

	Year ended December 31, 2005	Year ended December 31, 2004
Increase (Decrease) in Net Assets:		
Operations		
Net investment income (loss)	\$ 183,140	\$ 105,398
Net realized gain (loss)	(2,680)	25,192
Change in net unrealized appreciation (depreciation)	(60,381)	(26,495)
Net increase (decrease) in net assets resulting from operations	<u>120,079</u>	<u>104,095</u>
Unit transactions		
Proceeds from sales of units	1,715,282	2,164,675
Cost of units redeemed and fees	(1,171,226)	(1,381,474)
Net increase (decrease) in net assets resulting from unit transactions	<u>544,056</u>	<u>783,201</u>
Total increase (decrease) in net assets	<u>664,135</u>	<u>887,296</u>
Net Assets		
Beginning of period	5,400,420	4,513,124
End of period	<u>\$ 6,064,555</u>	<u>\$ 5,400,420</u>
Other Information		
Unit transactions		
Sold	151,370	194,190
Redeemed	(103,403)	(124,208)
Net increase (decrease)	<u>47,967</u>	<u>69,982</u>

Financial Highlights

Periods ended December 31,	2005	2004	2003	2002	2001 ^A
Selected Per-Unit Data					
Net asset value, beginning of period	\$ 11.24	\$ 10.99	\$ 10.70	\$ 10.04	\$ 10.00
Income from Investment Operations					
Net investment income (loss) ^C .....	.36	.25	.25	.34	—
Net realized and unrealized gain (loss)	(.12)	—	.04	.32	.04
Total increase (decrease) from investment operations .....	.24	.25	.29	.66	.04
Net asset value, end of period	<u>\$ 11.48</u>	<u>\$ 11.24</u>	<u>\$ 10.99</u>	<u>\$ 10.70</u>	<u>\$ 10.04</u>
Total Return^B	2.14%	2.27%	2.71%	6.57%	.40%
Ratios and Supplemental Data					
(amounts do not include the activity of the underlying funds)					
Net assets, end of period (in \$ thousands)	\$ 6,065	\$ 5,400	\$ 4,513	\$ 3,067	\$ 6
Ratio of expenses to average net assets .....	.30%	.30%	.30%	.30%	— ^D
Ratio of net investment income (loss) to average net assets ...	3.19%	2.23%	2.29%	3.30%	—
Portfolio Turnover Rate	17%	19%	21%	3%	—

^A For the period December 13, 2001 (commencement of operations) to December 31, 2001.

^B Total returns for periods of less than one year are not annualized.

^C Calculated based on average units outstanding during the period.

^D Due to the number of days of operations, the expenses rounded to less than \$1.00 on the Statement of Operations. The annualized operating expense is 0.30%.

See accompanying notes which are an integral part of the financial statements.

Delaware 70% Equity Portfolio Investment Summary

Portfolio Holdings as of December 31, 2005

% of Portfolio's
investments

Domestic Equity Funds

Fidelity Blue Chip Growth Fund	7.0
Fidelity Disciplined Equity Fund	8.9
Fidelity Dividend Growth Fund	7.5
Fidelity Equity-Income Fund	10.0
Fidelity Fund	4.7
Fidelity Growth & Income Portfolio	7.0
Fidelity Growth Company Fund	7.4
Fidelity OTC Portfolio	5.3
Fidelity Small Cap Independence Fund	2.4
	<u>60.2</u>

International Equity Funds

Fidelity Diversified International Fund	5.2
Fidelity Overseas Fund	5.1
	<u>10.3</u>

High Yield Fixed-Income Funds

Fidelity Capital & Income Fund	4.9
Fidelity High Income Fund	4.9
	<u>9.8</u>

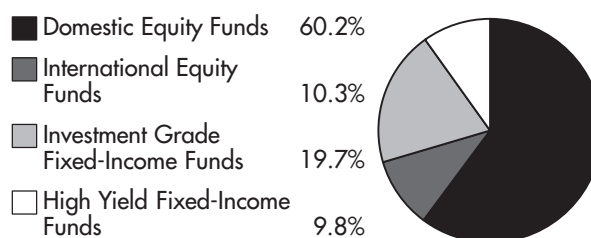
Investment Grade Fixed-Income Funds

Fidelity Government Income Fund	7.4
Fidelity Intermediate Bond Fund	4.9
Fidelity Investment Grade Bond Fund	7.4
	<u>19.7</u>
	<u>100.0</u>

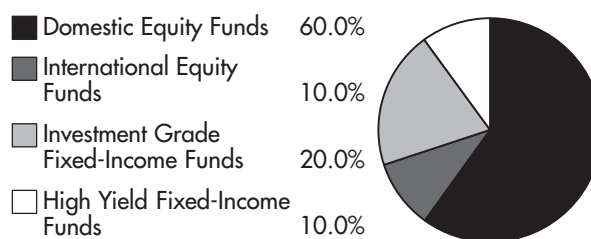
Asset Allocation (% of Portfolio's investments)

As of December 31, 2005

Current



Expected



The current allocation is based on the Portfolio's holdings as of December 31, 2005. The expected allocation represents the Portfolio's anticipated target asset allocation at June 30, 2006.

Delaware 70% Equity Portfolio

Investments December 31, 2005

Showing Percentage of Total Value of Investment in Securities

Equity Funds — 70.5%

	Shares	Value (Note 1)
Domestic Equity Funds — 60.2%		
Fidelity Blue Chip Growth Fund	21,341	\$ 921,078
Fidelity Disciplined Equity Fund	42,421	1,175,485
Fidelity Dividend Growth Fund	34,249	986,019
Fidelity Equity-Income Fund	25,063	1,322,814
Fidelity Fund	19,529	621,412
Fidelity Growth & Income Portfolio	26,782	921,292
Fidelity Growth Company Fund	15,462	983,860
Fidelity OTC Portfolio	18,358	693,753
Fidelity Small Cap Independence Fund	15,787	323,320

TOTAL DOMESTIC EQUITY FUNDS **7,949,033**

International Equity Funds — 10.3%

Fidelity Diversified International Fund	21,020	683,999
Fidelity Overseas Fund	16,290	677,818

TOTAL INTERNATIONAL EQUITY FUNDS **1,361,817**

TOTAL EQUITY FUNDS

(Cost \$7,822,854) **9,310,850**

Fixed-Income Funds — 29.5%

High Yield Fixed-Income Funds — 9.8%

Fidelity Capital & Income Fund	77,630	649,766
Fidelity High Income Fund	73,756	647,580

TOTAL HIGH YIELD FIXED-INCOME FUNDS **1,297,346**

Investment Grade Fixed-Income Funds — 19.7%

Fidelity Government Income Fund	96,447	976,046
Fidelity Intermediate Bond Fund	63,157	649,889
Fidelity Investment Grade Bond Fund	132,858	979,167

TOTAL INVESTMENT GRADE FIXED-INCOME FUNDS **2,605,102**

TOTAL FIXED-INCOME FUNDS

(Cost \$3,833,101) **3,902,448**

TOTAL INVESTMENT IN SECURITIES — 100%

(Cost \$11,655,955) **\$ 13,213,298**

See accompanying notes which are an integral part of the financial statements.

Delaware 70% Equity Portfolio Financial Statements

Statement of Assets and Liabilities

December 31, 2005

Assets	
Investments in securities at value (cost \$11,655,955)	\$ 13,213,298
Receivable for units sold	118,097
Dividends receivable	24,789
Total assets	<u>13,356,184</u>
Liabilities	
Accrued management and administration fees	\$ 3,323
Payable for units redeemed	<u>4,951</u>
Total liabilities	<u>8,274</u>
Net Assets	<u>\$ 13,347,910</u>
Net Asset Value , offering price and redemption price per unit (\$13,347,910 / 1,116,872 units)	<u>\$ 11.95</u>

Statement of Operations

Year ended December 31, 2005

Investment Income	
Income distributions from underlying funds	\$ 228,479
Expenses	
Management and administration fees	\$ 34,128
Total expenses	<u>34,128</u>
Net investment income (loss)	<u>194,351</u>
Realized and Unrealized Gain (Loss) on Investments	
Net realized gain (loss) on sale of underlying fund shares	183,433
Capital gain distributions from underlying funds	<u>200,319</u>
Change in net unrealized appreciation (depreciation) on underlying fund shares	220,396
Net gain (loss)	<u>604,148</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 798,499</u>

See accompanying notes which are an integral part of the financial statements.

Statement of Changes in Net Assets

	Year ended December 31, 2005	Year ended December 31, 2004
Increase (Decrease) in Net Assets:		
Operations		
Net investment income (loss)	\$ 194,351	\$ 163,248
Net realized gain (loss)	383,752	146,949
Change in net unrealized appreciation (depreciation)	220,396	495,436
Net increase (decrease) in net assets resulting from operations	<u>798,499</u>	<u>805,633</u>
Unit transactions		
Proceeds from sales of units	3,290,921	2,522,866
Cost of units redeemed and fees	(947,674)	(758,731)
Net increase (decrease) in net assets resulting from unit transactions	<u>2,343,247</u>	<u>1,764,135</u>
Total increase (decrease) in net assets	<u>3,141,746</u>	<u>2,569,768</u>
Net Assets		
Beginning of period	10,206,164	7,636,396
End of period	<u>\$ 13,347,910</u>	<u>\$ 10,206,164</u>
Other Information		
Unit transactions		
Sold	288,704	240,043
Redeemed	(83,045)	(71,754)
Net increase (decrease)	<u>205,659</u>	<u>168,289</u>

Financial Highlights

Periods ended December 31,	2005	2004	2003	2002	2001 ^B
Selected Per-Unit Data					
Net asset value, beginning of period	\$ 11.20	\$ 10.28	\$ 8.18	\$ 9.46	\$ 10.00
Income from Investment Operations					
Net investment income (loss) ^D .....	.19	.20	.18	.16	.16
Net realized and unrealized gain (loss) .....	.56	.72	1.92	(1.44)	(.70)
Total increase (decrease) from investment operations .....	.75	.92	2.10	(1.28)	(.54)
Net asset value, end of period	<u>\$ 11.95</u>	<u>\$ 11.20</u>	<u>\$ 10.28</u>	<u>\$ 8.18</u>	<u>\$ 9.46</u>
Total Return^C	6.70%	8.95%	25.67%	(13.53)%	(5.40)%
Ratios and Supplemental Data					
(amounts do not include the activity of the underlying funds)					
Net assets, end of period (in \$ thousands)	\$ 13,348	\$ 10,206	\$ 7,636	\$ 3,959	\$ 597
Ratio of expenses to average net assets .....	.30%	.30%	.30%	.30%	.30% ^A
Ratio of net investment income (loss) to average net assets ..	1.71%	1.87%	1.96%	1.93%	2.67% ^A
Portfolio Turnover Rate	9%	9%	1%	10%	16% ^A

^A Annualized

^B For the period May 10, 2001 (commencement of operations) to December 31, 2001.

^C Total returns for periods of less than one year are not annualized.

^D Calculated based on average units outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Delaware 100% Equity Portfolio Investment Summary

Portfolio Holdings as of December 31, 2005

% of Portfolio's
investments

Domestic Equity Funds

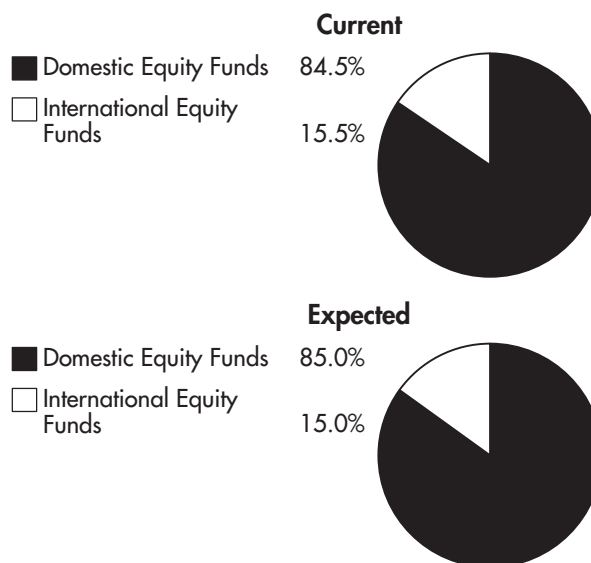
Fidelity Blue Chip Growth Fund	9.9
Fidelity Disciplined Equity Fund	12.7
Fidelity Dividend Growth Fund	10.6
Fidelity Equity-Income Fund	14.1
Fidelity Fund	6.1
Fidelity Growth & Income Portfolio	9.9
Fidelity Growth Company Fund	10.5
Fidelity OTC Portfolio	7.4
Fidelity Small Cap Independence Fund	3.3
	<u>84.5</u>

International Equity Funds

Fidelity Diversified International Fund	7.8
Fidelity Overseas Fund	7.7
	<u>15.5</u>
	<u>100.0</u>

Asset Allocation (% of Portfolio's investments)

As of December 31, 2005



The current allocation is based on the Portfolio's holdings as of December 31, 2005. The expected allocation represents the Portfolio's anticipated target asset allocation at June 30, 2006.

See accompanying notes which are an integral part of the financial statements.

Delaware 100% Equity Portfolio Investments December 31, 2005

Showing Percentage of Total Value of Investment in Securities

Equity Funds — 100.0%

	Shares	Value (Note 1)
Domestic Equity Funds — 84.5%		
Fidelity Blue Chip Growth Fund	63,820	\$ 2,754,479
Fidelity Disciplined Equity Fund	126,784	3,513,192
Fidelity Dividend Growth Fund	102,052	2,938,068
Fidelity Equity-Income Fund	74,378	3,925,689
Fidelity Fund	53,647	1,707,045
Fidelity Growth & Income Portfolio	80,001	2,752,049
Fidelity Growth Company Fund	45,804	2,914,516
Fidelity OTC Portfolio	54,647	2,065,115
Fidelity Small Cap Independence Fund ..	44,731	916,095
TOTAL DOMESTIC EQUITY FUNDS		23,486,248
International Equity Funds — 15.5%		
Fidelity Diversified International Fund ..	66,434	2,161,765
Fidelity Overseas Fund	51,299	2,134,550
TOTAL INTERNATIONAL EQUITY FUNDS		4,296,315
TOTAL INVESTMENT IN SECURITIES — 100%		
(Cost \$23,573,863)		\$ 27,782,563

See accompanying notes which are an integral part of the financial statements.

Delaware 100% Equity Portfolio Financial Statements

Statement of Assets and Liabilities

December 31, 2005

Assets	
Investments in securities at value (cost \$23,573,863)	\$ 27,782,563
Receivable for units sold	204,600
Total assets	<u>27,987,163</u>
Liabilities	
Accrued management and administration fees	\$ 7,059
Payable for units redeemed	<u>10,472</u>
Total liabilities	<u>17,531</u>
Net Assets	<u>\$ 27,969,632</u>
Net Asset Value , offering price and redemption price per unit (\$27,969,632 / 2,491,693 units)	<u>\$ 11.23</u>

Statement of Operations

Year ended December 31, 2005

Investment Income	
Income distributions from underlying funds	\$ 210,490
Expenses	
Management and administration fees	\$ 73,955
Total expenses	<u>73,955</u>
Net investment income (loss) ...	<u>136,535</u>
Realized and Unrealized Gain (Loss) on Investments	
Net realized gain (loss) on sale of underlying fund shares	416,253
Capital gain distributions from underlying funds	<u>578,086</u>
Change in net unrealized appreciation (depreciation) on underlying fund shares	<u>1,027,837</u>
Net gain (loss)	<u>2,022,176</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 2,158,711</u>

See accompanying notes which are an integral part of the financial statements.

Statement of Changes in Net Assets

	Year ended December 31, 2005	Year ended December 31, 2004
Increase (Decrease) in Net Assets:		
Operations		
Net investment income (loss)	\$ 136,535	\$ 152,307
Net realized gain (loss)	994,339	172,692
Change in net unrealized appreciation (depreciation)	1,027,837	1,642,353
Net increase (decrease) in net assets resulting from operations	<u>2,158,711</u>	<u>1,967,352</u>
Unit transactions		
Proceeds from sales of units	6,084,996	6,689,201
Cost of units redeemed and fees	(2,742,091)	(953,116)
Net increase (decrease) in net assets resulting from unit transactions	<u>3,342,905</u>	<u>5,736,085</u>
Total increase (decrease) in net assets	<u>5,501,616</u>	<u>7,703,437</u>
Net Assets		
Beginning of period	22,468,016	14,764,579
End of period	<u>\$ 27,969,632</u>	<u>\$ 22,468,016</u>
Other Information		
Unit transactions		
Sold	580,795	698,758
Redeemed	(259,159)	(98,470)
Net increase (decrease)	<u>321,636</u>	<u>600,288</u>

Financial Highlights

Periods ended December 31,	2005	2004	2003	2002	2001 ^B
Selected Per-Unit Data					
Net asset value, beginning of period	\$ 10.35	\$ 9.41	\$ 7.20	\$ 9.16	\$ 10.00
Income from Investment Operations					
Net investment income (loss) ^D .....	.06	.08	.05	.03	.03
Net realized and unrealized gain (loss) .....	.82	.86	2.16	(1.99)	(.87)
Total increase (decrease) from investment operations .....	.88	.94	2.21	(1.96)	(.84)
Net asset value, end of period	<u>\$ 11.23</u>	<u>\$ 10.35</u>	<u>\$ 9.41</u>	<u>\$ 7.20</u>	<u>\$ 9.16</u>
Total Return^C	8.50%	9.99%	30.69%	(21.40)%	(8.40)%
Ratios and Supplemental Data					
(amounts do not include the activity of the underlying funds)					
Net assets, end of period (in \$ thousands)	\$ 27,970	\$ 22,468	\$ 14,765	\$ 7,011	\$ 2,111
Ratio of expenses to average net assets .....	.30%	.30%	.30%	.30%	.30% ^A
Ratio of net investment income (loss) to average net assets .....	.55%	.83%	.68%	.44%	.55% ^A
Portfolio Turnover Rate	10%	3%	3%	3%	17% ^A

^A Annualized

^B For the period May 7, 2001 (commencement of operations) to December 31, 2001.

^C Total returns for periods of less than one year are not annualized.

^D Calculated based on average units outstanding during the period.

See accompanying notes which are an integral part of the financial statements.

Notes to Financial Statements

For the year ended December 31, 2005

1. Significant Accounting Policies

The Delaware Qualified Tuition Savings Plan Trust (the "Trust") was established to promote and operate a higher education savings program — *The Delaware College Investment Plan (the "Plan")* — under section 529 of the Internal Revenue Code of 1986, as amended. The Delaware College Investment Board is the Trustee of the Trust. The Trust is comprised of eleven investment portfolios (the "Portfolios") at December 31, 2005. These financial statements report on the Portfolios, nine of which may invest in equity, fixed income, and money market funds, one of which invests in fixed-income and money market funds, and one of which invests entirely in equity funds. The equity, fixed-income, and money market funds, collectively referred to as the Underlying Funds, are managed by Fidelity Management & Research Company (FMR). The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America which require management to make certain estimates and assumptions at the date of the financial statements.

The following summarizes the significant accounting policies of the Portfolios:

Security Valuation. Net asset per value per unit is calculated as of the close of business of the New York Stock Exchange, normally 4:00 p.m. Eastern time. Investments in the Underlying Funds are valued at their net asset value per share each business day.

Investment Transaction and Income. Security transactions, normally shares of the Underlying Funds, are accounted for as of trade date. Gains and losses on securities sold are determined on the basis of average cost. Income and capital gain distributions from the Underlying Funds, if any, are recorded on the ex-dividend date.

Expenses. Expenses are recorded on the accrual basis. Most expenses of the Trust can be directly attributed to a Portfolio. Expenses included in the accompanying financial statements reflect the expenses of each Portfolio and do not include any expenses associated with the Underlying Funds.

Units. The beneficial interest of each participant in the net assets of the Portfolios are represented by units. Contributions to and redemptions from the Portfolios are subject to terms and limitations defined in the Participation Agreement between the participant and the Trust. Contributions and redemptions are recorded upon receipt of participant's instructions in good order, based on the next determined net asset value per unit (unit value). Unit values for each Portfolio are determined daily. There are no distributions of net investment gains or net investment income to the Portfolios' participants or beneficiaries.

2. Fees

The Trustee has entered into a Management and Administrative Services agreement with FMR Corp. (the parent company of the group of companies commonly known as Fidelity Investments), Strategic Advisers, Inc. (Strategic) and Fidelity Brokerage Services, LLC (together Fidelity) to provide administrative, record keeping, distribution, marketing, and investment management services to the Trust. According to this agreement and a related investment advisory agreement with Strategic, an investment adviser registered under the Investment Advisers Act of 1940, Fidelity receives a fee computed daily at an annual rate of .20% of net assets of the Portfolios. Of this .20%, .15% is retained Strategic, and .05% is retained by Fidelity Brokerage Services, LLC for administrative and distribution services. These fees are paid from a fee imposed by the State of Delaware equal to .30% annually of each Portfolio's net assets. The remaining .10% is retained by the Trustee.

Prior to August 1, 2005, each Plan account was charged a \$30 annual fee, which is waived under certain circumstances. As of August 1, 2005, the annual fee was reduced to \$20. Any annual fees imposed by the State of Delaware are in turn paid to Fidelity. Annual fees charged during the year are included in Cost of units redeemed and fees on the Statements of Changes in Net Assets. For the year ended December 31, 2005, total annual fees charged for the Portfolios were \$126,640.

3. Other

The Portfolios' organizational documents provide limited indemnification against liabilities. In the normal course of business, the Portfolios may also enter into contracts that provide general indemnifications. The Portfolios' maximum exposure under these arrangements is unknown as this would be dependent on future claims that may be made against the Portfolios. The risk of material loss from such claims is considered remote.

The Portfolios do not invest in the Underlying Funds for the purpose of exercising management or control; however, investments by the Portfolios within their principal investment strategies may represent a significant portion of the Underlying Fund's net assets. At the end of the period, no Portfolio held a significant portion of the outstanding shares of any Underlying Fund.

Report of Independent Auditors

To the Trustees of the State of Delaware Qualified Tuition Savings Plan Trust and the Participants of the Delaware College Investment Plan:

In our opinion, the accompanying statements of assets and liabilities, including the schedules of portfolio investments as of December 31, 2005, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of the Delaware Qualified Tuition Savings Plan Trust: Delaware College Portfolio, Delaware Portfolio 2006, Delaware Portfolio 2009, Delaware Portfolio 2012, Delaware Portfolio 2015, Delaware Portfolio 2018, Delaware Portfolio 2021, Delaware Portfolio 2024, Delaware Conservative Portfolio, Delaware 70% Equity Portfolio, and Delaware 100% Equity Portfolio (collectively the "Portfolios") at December 31, 2005, and the results of each of their operations, the changes in each of their net assets and each of their financial highlights for the periods indicated, in conformity with accounting principles generally accepted in the United States of America. The financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Portfolios' management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which include confirmation of securities at December 31, 2005 by correspondence with the transfer agent, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Boston, Massachusetts
March 15, 2006

brought to you by the State of Delaware
managed by Fidelity Investments